

FINAL BILL REPORT

HB 1884

PARTIAL VETO

Synopsis as Enacted

C 390 L 93

Brief Description: Exempting nonprofit organizations providing credit services from the business and occupation tax.

By Representatives Holm, G. Fisher, Edmondson, Kremen and Rayburn.

House Committee on Revenue

Senate Committee on Ways & Means

Background: Nonprofit organizations pay state Business and Occupation (B&O) tax unless specifically exempted by statute. Exemption from federal income tax does not automatically provide exemption from state taxes. Most nonprofit organizations pay B&O tax at the services rate of 1.5 percent.

Summary: Nonprofit organizations that provide credit and debt education, counselling, and negotiation services are exempt from Business and Occupation tax.

Votes on Final Passage:

House	93	4
Senate	40	4

Effective: July 25, 1993

Partial Veto Summary: The veto removes a section that would have applied the tax exemption retroactively for activities occurring before the effective date of the act. (See VETO MESSAGE)