

SENATE BILL REPORT

HB 1884

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 5, 1993

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

SPONSORS: Representatives Holm, G. Fisher, Edmondson, Kremen and Rayburn

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Cantu, Gaspard, Hargrove, Hochstatter, Jesernig, McDonald, Moyer, Niemi, Owen, Quigley, Roach, L. Smith, Snyder, Sutherland, Talmadge, West, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: April 2, 1993; April 5, 1993

BACKGROUND:

Nonprofit organizations are subject to the business and occupation (B&O) tax and must collect sales taxes on their sales unless specifically exempted by statute. Exemption from federal income tax does not automatically provide an exemption for 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.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill is to be applied retroactively.

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one

