

1 1023.E AMS ROAC S3457.1

2 EHB 1023 - S AMD - 466

3 By Senator Roach, Anderson, A. and Schow

4 PULLED 5/24/95

5 On page 3, after line 28, insert the following:

6 NEW SECTION. **Sec. 4.** The legislature finds that property owners  
7 often hire property management companies to manage their real property.  
8 Frequently, the property management companies also manage the personnel  
9 who perform the necessary services at the property location. The  
10 property management company is merely acting as a conduit for the  
11 property owner's payment to the personnel at the property site.

12 Section 5 of this act is intended to clarify that the business and  
13 occupation tax does not apply to amounts received by a property  
14 management company and paid to on-site personnel. Section . . . of  
15 this act is not intended to modify the taxation of amounts received by  
16 a property management company for purposes other than payment to on-  
17 site personnel.

18 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.04 RCW  
19 to read as follows:

20 This chapter shall not apply to amounts received by a property  
21 management company from the owner of a property for gross wages and  
22 benefits paid to or on behalf of on-site personnel if the on-site  
23 personnel are paid through use of trust accounts, dedicated bank  
24 accounts, or paymaster accounts established for this purpose by the  
25 property management company. As used in this section, "on-site  
26 personnel" means a person who meets all of the following conditions:  
27 (1) The person works at the owner's property; (2) the person's duties  
28 include leasing property units, maintaining the property, collecting  
29 rents, or similar activities; and (3) pursuant to a written property  
30 management agreement, the person's compensation is the obligation of  
31 the property owner and not the property manager."

32 Renumber the remaining sections consecutively and correct any  
33 internal references accordingly.

1 **EHB 1023** - S AMD  
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3  
4 On page . . ., after line . . . of the title, after ". . ." insert  
5 ". . ."

6 EFFECT: Clarifies that the business and occupation tax does not  
7 apply to amounts received by a property management company and paid for  
8 on-site personnel.

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