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5 On page 2, after line 2, insert the following:

6 "NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04 RCW
7 to read as follows:

8 (1) This chapter shall not apply to the gross sales or the gross
9 income received by a new business.

10 (2) As used in this section:

11 (a) "New business" means a business that obtained or was required
12 to obtain a registration certificate under RCW 82.32.030 for the first
13 time after the effective date of this act and during the thirty-six
14 months immediately preceding the date in which an exemption is claimed
15 under this section. For out-of-state entities first engaging in
16 business in this state, "new business" means a person or company, as
17 defined in RCW 82.04.030, located outside this state that obtained or
18 was required to obtain registration with any state, federal, or foreign
19 agency for the first time after the effective date of this act and
20 during the thirty-six months immediately preceding the date in which an
21 exemption is claimed under this section.

22 (b) "New business" does not include:

23 (i) A business that has been restructured, reorganized, or
24 transferred, unless the majority of the activities to be conducted
25 after restructuring, reorganization, or transferral are significantly
26 different from the activities previously conducted;

27 (ii) A new branch location or other facility; or

28 (iii) A business that is substantially similar to a business
29 currently operated, or operated within the past ten years, by the same
30 principals."

31 Renumber the sections consecutively and correct internal references
32 and the title accordingly.

1 EFFECT: Exempts new businesses started after July 1, 1997, from
2 paying B&O tax for 3 years.

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