

2 **SHB 1261** - S COMM AMD
3 By Committee on Ways & Means

4 ADOPTED 4/10/97

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that many businesses
8 have difficulty applying the small business credit under RCW
9 82.04.4451. Further, the legislature appreciates the valuable time and
10 resources small businesses expend on calculating the amount of credit
11 based upon a statutory formula. For the purpose of tax simplification,
12 it is the intent of this act to direct the department of revenue to
13 create a schedule, in standard increments, to replace required
14 calculations for the small business credit. Each taxpayer can make
15 reference to the taxpayer's tax range on the schedule and find the
16 amount of the taxpayer's small business credit. Further, no taxpayer
17 will owe a greater amount of tax nor will any taxpayer be responsible
18 for a greater amount of taxes otherwise due.

19 **Sec. 2.** RCW 82.04.4451 and 1994 sp.s. c 2 s 1 are each amended to
20 read as follows:

21 (1) In computing the tax imposed under this chapter, a credit is
22 allowed against the amount of tax otherwise due under this chapter, as
23 provided in this section. The maximum credit for a taxpayer for a
24 reporting period is thirty-five dollars multiplied by the number of
25 months in the reporting period, as determined under RCW 82.32.045.

26 (2) When the amount of tax otherwise due under this chapter is
27 equal to or less than the maximum credit, a credit is allowed equal to
28 the amount of tax otherwise due under this chapter.

29 (3) When the amount of tax otherwise due under this chapter exceeds
30 the maximum credit, a reduced credit is allowed equal to twice the
31 maximum credit, minus the tax otherwise due under this chapter, but not
32 less than zero.

33 (4) The department may prepare a tax credit table consisting of tax
34 ranges using increments of no more than five dollars and a
35 corresponding tax credit to be applied to those tax ranges. The table

1 shall be prepared in such a manner that no taxpayer will owe a greater
2 amount of tax by using the table than would be owed by performing the
3 calculation under subsections (1) through (3) of this section. A table
4 prepared by the department under this subsection shall be used by all
5 taxpayers in taking the credit provided in this section."

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9 On page 1, line 2 of the title, after "credit;" strike the
10 remainder of the title and insert "amending RCW 82.04.4451; and
11 creating a new section."

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