

# FINAL BILL REPORT

## SB 6728

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C 200 L 98  
Synopsis as Enacted

**Brief Description:** Providing tax exemptions for activities conducted for hop commodity commissions or boards.

**Sponsors:** Senators Newhouse, Loveland, Morton, Rasmussen, Deccio and Schow.

**Senate Committee on Ways & Means**  
**House Committee on Agriculture & Ecology**  
**House Committee on Finance**

**Background:** The business and occupation tax (B&O) is levied for the privilege of doing business in Washington. The tax is levied on the gross receipts of all business activities (except utility activities) conducted within the state.

Although there are several different rates, beginning July 1, 1998 the principal rates are as follows:

Manufacturing/wholesaling	0.484%
Retailing	0.471%
Services	1.5%

The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. Thus, the tax pyramids at each level of activity.

**Summary:** The B&O tax does not apply to a nonprofit organization with respect to amounts received from a hop commodity board or commission.

**Votes on Final Passage:**

Senate	47	0
House	88	10
House	93	5 (House reconsidered)

**Effective:** June 11, 1998