
HOUSE BILL 1261

State of Washington

55th Legislature

1997 Regular Session

By Representatives Mulliken, Pennington, Boldt and Wensman; by request of Department of Revenue

Read first time 01/20/97. Referred to Committee on Finance.

1 AN ACT Relating to the business and occupation tax small business
2 credit; amending RCW 82.04.4451; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that many businesses
5 have difficulty applying the small business credit under RCW
6 82.04.4451. Further, the legislature appreciates the valuable time and
7 resources small businesses expend on calculating the amount of credit
8 based upon a statutory formula. For the purpose of tax simplification,
9 it is the intent of this act to direct the department of revenue to
10 create a schedule, in standard increments, to replace required
11 calculations for the small business credit. Each taxpayer can make
12 reference to the taxpayer's income range on the schedule and find the
13 amount of the taxpayer's small business credit. Further, no taxpayer
14 will owe a greater amount of tax nor will any taxpayer be responsible
15 for a greater amount of taxes otherwise due.

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

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

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

9 (3) When the amount of tax otherwise due under this chapter exceeds
10 the maximum credit, a reduced credit is allowed equal to twice the
11 maximum credit, minus the tax otherwise due under this chapter, but not
12 less than zero.

13 (4) The department may prepare a ranged table in standard
14 increments and make it available to all taxpayers for their use in
15 taking the credit. The ranged table shall be prepared in such a manner
16 that no taxpayer will owe a greater amount of tax than they would be
17 subject to under subsections (1), (2), and (3) of this section.

--- END ---