
HOUSE BILL 2139

State of Washington

55th Legislature

1997 Regular Session

By Representatives Morris, Dickerson, Dunshee, Butler, Mason, Kastama, Conway, Gombosky, Keiser, O'Brien, Costa and Cooper

Read first time 02/24/97. Referred to Committee on Finance.

1 AN ACT Relating to exempting new businesses from business and
2 occupation tax; and adding a new section to chapter 82.04 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
5 to read as follows:

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

8 (2) As used in this section:

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

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

1 (i) A business that has been restructured, reorganized, or
2 transferred, unless the majority of the activities to be conducted
3 after restructuring, reorganization, or transferral are significantly
4 different from the activities previously conducted;

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

6 (iii) A business that is substantially similar to a business
7 currently operated, or operated within the past ten years, by the same
8 principals.

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