
SENATE BILL 5000

State of Washington

55th Legislature

1998 Regular Session

By Senators Hale, Rossi, Schow, Benton, Prince, McDonald, Wood, Sellar, Johnson, West, Horn, Stevens, Long, Winsley, Morton, Swecker, Haugen, Snyder, Loveland, Goings, Deccio, Rasmussen, Newhouse, McCaslin, Hargrove, Anderson, Strannigan, Oke, Zarelli and Roach

Read first time 01/13/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to lowering business and occupation tax rates; and
2 amending RCW 82.04.255 and 82.04.290.

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

4 **Sec. 1.** RCW 82.04.255 and 1996 c 1 s 1 are each amended to read as
5 follows:

6 Upon every person engaging within the state as a real estate
7 broker; as to such persons, the amount of the tax with respect to such
8 business shall be equal to the gross income of the business, multiplied
9 by the rate of ((1.75)) 1.5 percent.

10 The measure of the tax on real estate commissions earned by the
11 real estate broker shall be the gross commission earned by the
12 particular real estate brokerage office including that portion of the
13 commission paid to salesmen or associate brokers in the same office on
14 a particular transaction: PROVIDED, HOWEVER, That where a real estate
15 commission is divided between an originating brokerage office and a
16 cooperating brokerage office on a particular transaction, each
17 brokerage office shall pay the tax only upon their respective shares of
18 said commission: AND PROVIDED FURTHER, That where the brokerage office
19 has paid the tax as provided herein, salesmen or associate brokers

1 within the same brokerage office shall not be required to pay a similar
2 tax upon the same transaction.

3 **Sec. 2.** RCW 82.04.290 and 1996 c 1 s 2 are each amended to read as
4 follows:

5 (1) Upon every person engaging within this state in the business of
6 providing selected business services other than or in addition to those
7 enumerated in RCW 82.04.250 or 82.04.270; as to such persons the amount
8 of tax on account of such activities shall be equal to the gross income
9 of the business multiplied by the rate of (~~(2.0)~~) 1.5 percent.

10 (2) Upon every person engaging within this state in banking, loan,
11 security, investment management, investment advisory, or other
12 financial businesses, other than or in addition to those enumerated in
13 subsection (3) of this section; as to such persons, the amount of the
14 tax with respect to such business shall be equal to the gross income of
15 the business, multiplied by the rate of (~~(1.6)~~) 1.5 percent.

16 (3) Upon every person engaging within this state in the business of
17 providing international investment management services, as to such
18 persons, the amount of tax with respect to such business shall be equal
19 to the gross income or gross proceeds of sales of the business
20 multiplied by a rate of 0.275 percent.

21 (4) Upon every person engaging within this state in any business
22 activity other than or in addition to those enumerated in RCW
23 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, and
24 82.04.280, and subsections (1), (2), and (3) of this section; as to
25 such persons the amount of tax on account of such activities shall be
26 equal to the gross income of the business multiplied by the rate of
27 (~~(1.75)~~) 1.5 percent.

28 This section includes, among others, and without limiting the scope
29 hereof (whether or not title to materials used in the performance of
30 such business passes to another by accession, confusion or other than
31 by outright sale), persons engaged in the business of rendering any
32 type of service which does not constitute a "sale at retail" or a "sale
33 at wholesale." The value of advertising, demonstration, and
34 promotional supplies and materials furnished to an agent by his
35 principal or supplier to be used for informational, educational and
36 promotional purposes shall not be considered a part of the agent's

1 remuneration or commission and shall not be subject to taxation under
2 this section.

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