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HOUSE BILL 1444

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State of Washington

56th Legislature

1999 Regular Session

By Representatives Morris, DeBolt, Eickmeyer, Veloria, Doumit, Haigh, Linville, Hatfield, O'Brien, Conway, Santos, Murray, Lantz, Wolfe, Stensen, Ruderman, Kessler and Wood

Read first time 01/25/1999. Referred to Committee on Economic Development, Housing & Trade.

1 AN ACT Relating to exempting new businesses in distressed areas  
2 from business and occupation tax; and adding a new section to chapter  
3 82.04 RCW.

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

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

7 (1) This chapter shall not apply to the gross sales or the gross  
8 income received by a new small business located in an eligible area as  
9 defined in RCW 82.62.010.

10 (2) As used in this section:

11 (a) "New small business" means a business that: (i) Obtained or  
12 was required to obtain a registration certificate under RCW 82.32.030  
13 for the first time during the thirty-six months immediately preceding  
14 the date in which an exemption is claimed under this section; and (ii)  
15 for the business, the value of products, gross proceeds of sales, or  
16 gross income of the business, from all business activities, is less  
17 than five million dollars per year.

18 (b) For out-of-state entities first engaging in business in this  
19 state, "new small business" means a person or company, as defined in

1 RCW 82.04.030, located outside this state that: (i) Obtained or was  
2 required to obtain registration with any state, federal, or foreign  
3 agency for the first time during the thirty-six months immediately  
4 preceding the date in which an exemption is claimed under this section;  
5 and (ii) for the business, the value of products, gross proceeds of  
6 sales, or gross income of the business, from all business activities,  
7 is less than five million dollars per year.

8 (c) "New small business" does not include:

9 (i) A business that has been restructured, reorganized, or  
10 transferred, unless the majority of the activities to be conducted  
11 after restructuring, reorganization, or transferral are significantly  
12 different from the activities previously conducted;

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

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

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