1   **2750-S AMH H4394.1**

4

5   On page 1, after line 16, insert the following:

6   "NEW SECTION. **Sec. 2.** (1) The exemption for properties described
7   in RCW 84.36.060(1) that are loaned or rented to any person, for-profit
8   organization, or business enterprise not eligible for a tax exemption
9   shall be determined by one or more of the methods in this section as
10 appropriate.
11   (a) The portion of the property used for the nonexempt purpose may
12 be segregated and taxed at one hundred percent of assessed value.
13   (b) If income from loans or rentals to nonexempt users does not
14 exceed ten percent of gross income from all sources in a calendar year
15 the property is exempt on one hundred percent of the assessed value.
16   (c) If income from loans or rentals to nonexempt users exceeds ten
17 percent of gross income from all sources in a calendar year, the
18 property is subject to taxation in an amount equal to the assessed
19 value multiplied by the proportion of income from such loans or rentals
20 to the gross income for all sources in any calendar year.
21   (2) As used in this section, "gross income from all sources" means
22 all revenue received from any source including entrance or admittance
23 fees, user fees, fund-raising events, sales or tickets to performing
24 arts events, and rents or donation received as a result of the loan or
25 rental of the property. Gross income from all sources does not include
26 income from property that has been segregated under subsection (1)(a)
27 of this section."

28   Renumber the remaining sections consecutively, correct any internal
29 references accordingly, and correct the title.

1 **SHB 2750** - H AMD
2   By Representative

3

4   On page 2, line 26, after "<u>provided in</u>" strike "<u>subsection (1)(c)</u>
5 <u>of this section</u>" and insert "<u>section 2 of this act</u>"

6 **SHB 2750** - H AMD
7   By Representative

8

9   On page 3, beginning on line 5, after "~~subsection~~" strike all
10 material through "<u>value</u>." on line 18 and insert "~~.~~))"

11 **SHB 2750** - H AMD
12   By Representative

13

14   On page 5, line 27, after "<u>under</u>" strike "<u>RCW 84.36.060(1)(c)</u>" and
15 insert "<u>section 2 of this act</u>"

16 **SHB 2750** - H AMD
17   By Representative

18

19   On page 8, beginning on line 31, strike all of subsection (17) and
20 insert the following:
21   "<u>(17) All leasehold interests created in publicly owned real</u>
22 <u>property used by nonprofit artistic, scientific, and historical</u>
23 <u>organizations and nonprofit associations engaged in the production and</u>
24 <u>performance of musical, dance, artistic, dramatic, or literary works</u>
25 <u>that would be exempt from property tax under RCW 84.36.060(1) if they</u>
26 <u>owned the property. If the publicly owned property is used for any</u>
27 <u>taxable purpose, the leasehold excise taxes set forth in RCW 82.29A.030</u>
28 <u>and 82.29A.040 shall be imposed and apportioned consistent with the</u>
29 <u>procedures in section 2 of this act.</u>"

EFFECT: Provides three methods of determining the extent of exemption for nonprofit museums and performing arts associations that rent their property to others: Taxation of only the part that is loaned or rented; complete exemption if less than 10% of gross income is from rentals to nonexempt persons; or an exemption apportioned based on the portion of income from nonexempt activities.

--- END ---