

2658-S

Sponsor(s): House Committee on Finance (originally sponsored by Representatives Gombosky, Dunshee, Romero, Reardon, Berkey, Upthegrove, Edwards, Chase, Kenney, Linville, McIntire and Conway; by request of Governor Locke)

Brief Description: Changing requirements regarding state and local tax to provide for municipal business and occupation tax uniformity.

**HB 2658-S.E - DIGEST**

(AS OF HOUSE 2ND READING 2/19/02)

Declares an intent to provide for a more uniform system of city business and occupation taxes that eliminates multiple taxation, while allowing for some continued local control and flexibility to cities.

Declares that this act does not apply to taxes on: (1) A light and power business or a natural gas distribution business, as defined in RCW 82.16.010;

(2) A telephone business, as defined in RCW 82.04.065;

(3) Cable television services;

(4) Sewer or water services;

(5) Drainage services

(6) Solid waste services;

(7) Steam services; or

(8) Any other service that historically or traditionally has been taxed as a utility business for municipal tax purposes.

Requires the association of Washington cities to adopt a model ordinance on municipal gross receipts business and occupation tax. The association of Washington cities shall develop and adopt the model ordinance and subsequent amendments using a process that includes opportunity for input from business stakeholders and other members of the public. Input shall be solicited from statewide business associations and from local chambers of commerce in cities that levy a gross receipts business and occupation tax.

Requires the department of revenue to continue to work with the association of Washington cities and the business community on the issues of apportionment and allocation of income and to report to the governor and the fiscal committees of the legislature on its progress by the first day of the fifty-eighth legislature.

Requires the department of revenue to continue to work with the association of Washington cities and the business community on issues concerning the application of gross receipts taxes to the creation of intellectual property and report to the governor and the fiscal committees of the legislature on its progress by the first day of the fifty-eighth legislature.