

2955

Sponsor(s): Representatives Cairnes, Sehlin, Woods, Pflug, Mitchell, Chandler, Mulliken, Buck and Mastin

Brief Description: Improving municipal gross receipts tax uniformity.

HB 2955 - DIGEST

Finds that: (1) Businesses in Washington are concerned about the potential multiple taxation that arises due to the various city gross receipts taxes and the lack of uniformity among city jurisdictions;

(2) The current system of city gross receipts taxes has a negative impact on Washington's business climate by creating complexity and inconsistencies for taxpayers;

(3) City gross receipts tax revenue provides a sizable portion of city revenue that is used for essential services;

(4) Local government services contribute to a healthy business climate; and

(5) Cities have and should retain the flexibility to tailor their tax structures to meet unique local needs, but that flexibility must be balanced with predictability and ease of administration of city gross receipts taxes.

Declares an intent to: (1) Require cities that impose a gross receipts tax to adopt a model ordinance that creates a more uniform system of city gross receipts taxes;

(2) Eliminate any potential for multiple taxation of the same gross income; and

(3) Make city gross receipts taxes simpler, more predictable, and easier to administer, while allowing for some continued local control and flexibility for cities.