

1 **HB 2030** - H AMD TO H AMD (H-2526.1) **0324 FAILED 3-19-03**
2 By Representative Santos

3 On page 9, after line 31, insert the following:

4 "Sec. 15. RCW 35.21.710 and 2002 c 179 s 1 are each amended to
5 read as follows:

6 (1) Any city which imposes a license fee or tax upon business
7 activities consisting of the making of retail sales of tangible
8 personal property which are measured by gross receipts or gross
9 income from such sales, shall impose such tax at a single uniform
10 rate upon all such business activities.

11 (2)(a) Except as provided under subsection (c) of this
12 subsection, the taxing authority granted to cities for taxes upon
13 business activities measured by gross receipts or gross income from
14 sales shall not exceed a rate of .0020; except that any city with
15 an adopted ordinance at a higher rate, as of January 1, 1982 shall
16 be limited to a maximum increase of ten percent of the January 1982
17 rate, not to exceed an annual incremental increase of two percent
18 of current rate(~~:= PROVIDED, That~~)).

19 (b) Any adopted ordinance which classifies according to
20 different types of business or services shall be subject to both
21 the ten percent and the two percent annual incremental increase
22 limitation on each tax rate(~~:= PROVIDED FURTHER, That~~)).

23 (c)(i) A city that has imposed a tax under this subsection (2)
24 as of the effective date of section 13 of this act may increase the
25 rate or rates of tax pursuant to this subsection (c).

26 (ii) A city that incurs a reduction in municipal business and
27 occupation tax revenue due to the implementation of the
28 apportionment provisions under section 13 of this act may adjust
29 its rate or rates to the extent necessary to offset any revenue
30 losses. Such rate adjustments may not take effect before January
31 1, 2008.

1 (3) All surtaxes on business and occupation classifications in
2 effect as of January 1, 1982, shall expire no later than December
3 31, 1982, or by expiration date established by local ordinance.

4 (4) Cities which impose a license fee or tax upon business
5 activities consisting of the making of retail sales of tangible
6 personal property which are measured by gross receipts or gross
7 income from such sales shall be required to submit an annual report
8 to the state auditor identifying the rate established and the
9 revenues received from each fee or tax.

10 (5) This section shall not apply to any business activities
11 subject to the tax imposed by chapter 82.16 RCW.

12 (6) For purposes of this section, the providing to consumers of
13 competitive telephone service, as defined in RCW 82.04.065, or the
14 providing of payphone service, shall be subject to tax at the same
15 rate as business activities consisting of the making of retail
16 sales of tangible personal property. As used in this section,
17 "payphone service" means making telephone service available to the
18 public on a fee-per-call basis, independent of any other commercial
19 transaction, for the purpose of making telephone calls, when the
20 telephone can only be activated by inserting coins, calling
21 collect, using a calling card or credit card, or dialing a toll-
22 free number, and the provider of the service owns or leases the
23 telephone equipment but does not own the telephone line providing
24 the service to that equipment and has no affiliation with the owner
25 of the telephone line."

26 Renumber remaining sections consecutively and correct the title

EFFECT: Allows cities that have enacted business and
occupation taxes prior to the implementation of the
apportionment provisions to be able to raise rates to offset
revenue losses.