
SENATE BILL 5439

State of Washington

58th Legislature

2003 Regular Session

By Senator Jacobsen

Read first time 01/24/2003. Referred to Committee on Ways & Means.

1 AN ACT Relating to the taxation of nonresident athletes or
2 entertainers; and adding a new section to chapter 82.02 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.02 RCW
5 to read as follows:

6 (1) A tax equal to one percent of the income determined under
7 subsection (2) of this section is imposed on an individual who is a
8 nonresident of Washington and who is an athlete or entertainer.

9 (2) Income from compensation for labor or personal services
10 performed within this state will be determined in the following manner:

11 (a) The amount of income to be assigned to Washington for an
12 individual who is a nonresident salaried athletic team employee will be
13 determined by using a fraction in which the denominator contains the
14 total number of days in which the individual is under a duty to perform
15 for the employer, and the numerator is the total number of those days
16 spent in Washington. For purposes of this section, off-season training
17 activities, unless conducted at the team's facilities as part of a team
18 imposed program, are not included in the total number of duty days.
19 Bonuses earned as a result of play during the regular season or for

1 participation in championship, play-off, or all-star games must be
2 allocated under the formula. Signing bonuses are not subject to
3 allocation under the formula if they are not conditional on playing any
4 games for the team, are payable separately from any other compensation,
5 and are nonrefundable; and

6 (b) The amount of income to be assigned to Washington for an
7 individual who is a nonresident, and who is an athlete or entertainer
8 not listed in (a) of this subsection, the person's athletic or
9 entertainment performance in Washington will be determined by assigning
10 to this state all income directly earned from performances or athletic
11 contests in this state.

12 (3) Revenue collected under this section will be deposited in the
13 youth athletic facility account created in RCW 43.99N.060.

14 (4) This tax shall not take effect unless a state income tax is
15 approved by the voters of Washington state.

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