

2030

Sponsor(s): Representatives Kessler, Cairnes, Talcott, McDonald, Schindler, Shabro, Pearson and Holmquist; by request of Governor Locke

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

HB 2030.E - DIGEST

(DIGEST AS ENACTED)

Finds that businesses in Washington are concerned about the potential for multiple taxation that arises due to the various city business and occupation taxes and are concerned about the lack of uniformity among city jurisdictions. The current system has a negative impact on Washington's business climate.

Finds, also, that local business and occupation tax revenue provides a sizable portion of city revenue that is used for essential services.

Recognizes that local government services contribute to a healthy business climate.

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.

Directs the department of revenue to conduct a study of the net fiscal impacts of this act, with particular emphasis on the revenue impacts of the apportionment and allocation method contained in section 13 of this act and any revenue impact resulting from the increased uniformity and consistency provided through the model ordinance.

Declares an intent through this study to provide accurate fiscal impact analysis and recommended options to alleviate revenue impacts from this act so as to allow local jurisdictions to anticipate and appropriately address any potential adverse revenue impacts from this act.

Directs the department of revenue to report by December 31, 2004, to the governor and the fiscal committees of the legislature on the definitions used in the proposed model ordinance.