

5900-S

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Horn, Reardon, Rossi, T. Sheldon, Mulliken, Esser and Schmidt; 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.

SB 5900-S - DIGEST

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

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.

Requires 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 this act and any revenue impact resulting from the increased uniformity and consistency provided through the model ordinance.

Requires 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.