
SENATE BILL 6712

State of Washington 59th Legislature 2006 Regular Session

By Senators Eide, Fairley, Brown, Keiser, McAuliffe and Franklin

Read first time 01/19/2006. Referred to Committee on International Trade & Economic Development.

1 AN ACT Relating to providing small businesses whose owners are
2 trained in entrepreneurial development with excise tax relief; adding
3 a new section to chapter 82.04 RCW; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) This chapter does not apply to a small business during any
8 twenty-four consecutive month period during the first sixty months of
9 operation of the business, subject to the requirements of this section.

10 (2) The person or persons owning a majority interest in the small
11 business must have participated in at least twenty-five hours of
12 entrepreneurial or small business training or counseling, and must have
13 applied this training or counseling to the small business.

14 (3)(a) For every small business engaged in activities which are
15 primarily within the purview of RCW 82.04.290(2), the gross income of
16 the business must not exceed sixty thousand dollars for any twelve
17 consecutive months during its first sixty months of operation.

18 (b) For every small business engaged in activities which are not
19 primarily within the purview of RCW 82.04.290(2), the gross income of

1 the business must not exceed one hundred twenty thousand dollars for
2 any twelve consecutive months during its first sixty months of
3 operation.

4 (4) For purposes of the exemption under this section, the small
5 business owner must seek approval of his or her entrepreneurial or
6 small business training from the Washington State University small
7 business development center, the employment security department, or the
8 work force training and education coordinating board. The small
9 business owner must provide proof of his or her completed training in
10 a form and manner determined by the department of revenue.

11 (5) As used in this section:

12 (a) "Entrepreneurial or small business training" means management
13 and technical assistance focused on entrepreneurial and small business
14 development, including but not limited to training, counseling,
15 research services, and on-line curriculums offered by agencies or
16 public or private community development and economic assistance
17 organizations.

18 (b) "Small business" means a business that: (i) Obtains or is
19 required to obtain a registration certificate under RCW 82.32.030 for
20 the first time; and (ii) has five or fewer employees. "Small business"
21 also includes a branch location or other facility established after the
22 effective date of this section by an entity doing business in this
23 state.

24 (c) "Small business" does not include:

25 (i) A business that has been restructured, reorganized, or
26 transferred, if the activities to be conducted after restructuring,
27 reorganization, or transferral are substantially similar to the
28 activities previously conducted; or

29 (ii) A business that is substantially similar to a business
30 currently operated, or operated within the past five years, by the same
31 principals.

32 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2006.

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