SENATE BILL REPORT
SHB 2380

As of February 28, 2008

Title: An act relating to providing taxpayer relief for costs associated with compliance with the sourcing requirements of the streamlined sales and use tax agreement.

Brief Description: Providing relief for businesses for streamlined sales and use tax agreement compliance costs.

Sponsors: House Committee on Finance (originally sponsored by Representatives Ericks, Orcutt, Hunter, Kretz, Linville and Ormsby).

Brief History: Passed House: 1/30/08, 97-0.
Committee Activity: Ways & Means: 2/29/08.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Substitute Senate Bill 5089 (2007), signed into law March 22, conforms Washington law with the Streamline Sales and Use Tax Agreement (SSUTA).

The legislation includes relief for in-state sellers impacted by the change to destination sourcing. To qualify for relief, the seller must meet several requirements. The seller must: in calendar year 2008, have gross income less than $500,000 and have a physical presence in the state; have at least 5 percent of sales derived from shipping property to locations away from its place of business; have at least 1 percent of sales derived from shipments to multiple jurisdictions; and as of July 1, 2008, be registered with the Department of Revenue (DOR).

A qualifying in-state seller may choose one of two options. A seller may: use a certified service provider (CSP) for up to two years at no cost to the taxpayer, or claim a tax credit, not to exceed $1,000. A credit may be claimed until used.

Under the agreement, sellers are authorized to designate an agent, referred to as a CSP, to register the seller with the state and perform all the seller's sale and use tax functions.

Summary of Bill: Relief is provided for additional in-state sellers for costs associated with the sourcing changes in the SSUTA.

To qualify for relief, the seller must meet several requirements. The seller must: in calendar year 2008, have a gross income between $500,000 and $3 million and have a physical presence in the state; have at least 95 percent of sales derived from shipping property to

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

jurisdictions other than the jurisdiction in which the taxpayer has his or her main physical location; and, as of July 1, 2008, be registered with the DOR.

A qualifying in-state seller may choose one of two options. A seller may: use a certified service provider for up to one year at no cost to the taxpayer, or claim a tax credit, not to exceed $1,000. Sellers must use the credit by July 1, 2009.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.