

# SENATE BILL REPORT

## HB 2567

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As of March 5, 2010

**Title:** An act relating to the excise taxation of publicly owned facilities accredited by the association of zoos and aquariums.

**Brief Description:** Concerning the excise taxation of publicly owned facilities accredited by the association of zoos and aquariums.

**Sponsors:** Representatives Carlyle, Dickerson, Simpson, Anderson, White, Nelson, Sullivan, Kenney, Maxwell, Lias, Pettigrew and Santos.

**Brief History:** Passed House: 2/15/10, 97-1.

**Committee Activity:** Ways & Means:

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Dianne Criswell (786-7433)

**Background:** The business and occupation (B&O) tax is levied for the privilege of doing business in Washington. The tax is levied on the gross receipts of all business activities conducted within the state. There are no deductions for the costs of doing business. The sales tax is paid on each retail sale of most articles of tangible personal property, certain services, and extended warranties. The use tax is imposed on the use of articles of tangible personal property, certain services, and extended warranties when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state firms. Artistic or cultural organizations are nonprofit organizations that are organized and operated exclusively for the purpose of providing artistic or cultural exhibitions, presentations, performances, or education programs. These organizations may deduct income derived from government grants, tuition for educational programs, items manufactured for artistic or cultural purposes by the organization, and business activities (such as admissions fees). In addition, these organizations are also exempt from paying sales and use taxes on objects of art, items with cultural value, objects used to create art, and items used to display art or to present cultural performances.

**Summary of Bill:** This bill provides a B&O tax deduction for nonprofit organizations or metropolitan park districts for business activities conducted by organizations or districts with respect to publicly-owned zoological facilities (which must be accredited by the Association of Zoos and Aquariums).

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*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.*

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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