

# SENATE BILL REPORT

## SB 5251

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As of February 8, 2013

**Title:** An act relating to exempting certain manufacturing research and development activities from business and occupation taxation.

**Brief Description:** Exempting certain manufacturing research and development activities from business and occupation taxation.

**Sponsors:** Senators Chase and Shin.

**Brief History:**

**Committee Activity:** Trade & Economic Development: 2/12/13.

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### SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

**Staff:** Jack Brummel (786-7428)

**Background:** Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the cost of doing business. Revenues are deposited in the state general fund.

**Summary of Bill:** The B&O tax is not due on the value of products manufactured in Washington during their first five years of production if the product was developed as a result of research and development at the University of Washington or Washington State University, and the product is being manufactured pursuant to a licensing agreement with either school.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2013.

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