

SENATE BILL REPORT

SB 5043

As of January 30, 2015

Title: An act relating to providing greater small business assistance by modifying the filing threshold for excise tax purposes.

Brief Description: Providing greater small business assistance by modifying the filing threshold for excise tax purposes.

Sponsors: Senators O'Ban, Benton and Warnick.

Brief History:

Committee Activity: Trade & Economic Development: 1/28/15.

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Staff: Jeff Olsen (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. In lieu of the B&O tax, gross income derived from the operation of public and privately owned utilities is subject to the public utilities tax. Businesses are not required to file returns if the value of products, gross proceeds of sales, or gross business income is less than \$28,000 per year for the B&O tax, or \$24,000 for the public utility tax. However, persons having taxable income under business services and operation of gambling contests of chance are not required to file returns with the Department of Revenue (Department) if their gross income is less than \$46,667 and they derive at least 50 percent of their income from those activities. However, all businesses must register and pay taxes with the Department if the business is required to collect sales tax or the business is required to pay any other taxes or fees to the Department.

Summary of Bill: The minimum filing threshold for a person to file an excise tax return with the Department is increased to \$50,000.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2015.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.