

SENATE BILL REPORT

SB 6001

As of March 31, 2015

Title: An act relating to the definition of a newspaper.

Brief Description: Concerning the definition of a newspaper.

Sponsors: Senators Cleveland, Chase and Kohl-Welles.

Brief History:

Committee Activity: Ways & Means: 3/25/15.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: In 2008 and again in 2012, the Legislature temporarily revised the definition of newspaper to include electronic versions of newspapers. The effect of this is that both the online version of a newspaper and the physical version of a newspaper are taxed at the business and occupation rate of 0.35 percent until July 1, 2015, and 0.2904 percent thereafter. The definition is set to expire July 1, 2015.

If the electronic version of a newspaper is not included in the definition of a newspaper, the business and occupation tax will apply to the electronic version based on the revenue-generating activity. For advertising revenues the rate of 1.5 percent would apply, and for subscription sales the rate of .471 percent would apply.

Summary of Bill: The current definition of a newspaper, which includes the electronic version of a newspaper, is extended until July 1, 2020.

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, 2015.

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.

Staff Summary of Public Testimony: PRO: Technology has advanced and newspapers have changed with it. This will help newspapers meet the letter of the law whether or not they are online or in paper. We would like to have a solution that does not fiscally impact. We have found a solution that would take care of internet tax fairness problems.

Persons Testifying: PRO: Senator Cleveland, prime sponsor; Rowland Thompson, Allied Daily Newspapers of WA.

Persons Signed in to Testify But Not Testifying: No one.