

SENATE BILL REPORT

SB 6654

As Reported by Senate Committee On:
Ways & Means, February 28, 2020

Title: An act relating to providing that qualified dealer cash incentives paid to auto dealers are bona fide discounts for purposes of the business and occupation tax.

Brief Description: Providing that qualified dealer cash incentives paid to auto dealers are bona fide discounts for purposes of the business and occupation tax.

Sponsors: Senators Mullet and Wilson, L..

Brief History:

Committee Activity: Ways & Means: 2/20/20, 2/28/20 [DP, DNP, w/oRec].

Brief Summary of Bill

- This is bullet one. I am typing something new.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Becker, Billig, Conway, Darneille, Hasegawa, Hunt, Keiser, Muzzall, Rivers, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L.

Minority Report: Do not pass.

Signed by Senator Frockt, Vice Chair, Operating, Capital Lead.

Minority Report: That it be referred without recommendation.

Signed by Senators Carlyle, Dhingra and Pedersen.

Staff: Michele Alishahi (786-7433)

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

Background:

Business and Occupation Tax. Washington's major business tax is the business and occupation (B&O) tax. B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. Businesses must pay the B&O tax even if they do not make any profits or are operating at a loss. A taxpayer may have more than one B&O tax rate, depending on the types of activities conducted. Major B&O tax rates are 0.471 percent for retailing; 0.484 percent for manufacturing, wholesaling, and extracting; and 1.5 percent for services, and activities not classified elsewhere.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill: This is the summary section. Adding some words.

EFFECT OF CHANGES:

- They did something else.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: *The committee recommended a different version of the bill than what was heard.* PRO: This is a mighty fine bill.

Persons Testifying: PRO: Senator Mark Mullet, Prime Sponsor; Scott Hazlegrove, Washington State Auto Dealers Association; Greg Anderson, Titus Will.

Persons Signed In To Testify But Not Testifying: No one.