
SENATE BILL 5980

State of Washington **67th Legislature** **2022 Regular Session**

By Senators Carlyle, Randall, Hunt, Kuderer, and Mullet

Read first time 02/22/22. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing substantial and permanent tax relief
2 for small businesses to mitigate structural deficiencies in
3 Washington's business and occupation tax and lessen long-term
4 negative economic consequences of the pandemic that have
5 disproportionately impacted small businesses; amending RCW
6 82.04.4451; and creating new sections.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 82.04.4451 and 2010 1st sp.s. c 23 s 1102 are each
9 amended to read as follows:

10 (1) In computing the tax imposed under this chapter, a credit is
11 allowed against the amount of tax otherwise due under this chapter,
12 as provided in this section. Except for taxpayers that report at
13 least ~~((fifty))~~ 50 percent of their taxable amount under RCW
14 82.04.255, 82.04.290(2)(a), and 82.04.285, the maximum credit for a
15 taxpayer for a reporting period is ~~((thirty-five dollars))~~ \$50.415
16 multiplied by the number of months in the reporting period, as
17 determined under RCW 82.32.045. For a taxpayer that reports at least
18 ~~((fifty))~~ 50 percent of its taxable amount under RCW 82.04.255,
19 82.04.290(2)(a), and 82.04.285, the maximum credit for a reporting
20 period is ~~((seventy dollars))~~ \$156.25 multiplied by the number of
21 months in the reporting period, as determined under RCW 82.32.045.

1 (2) When the amount of tax otherwise due under this chapter is
2 equal to or less than the maximum credit, a credit is allowed equal
3 to the amount of tax otherwise due under this chapter.

4 (3) When the amount of tax otherwise due under this chapter
5 exceeds the maximum credit, a reduced credit is allowed equal to
6 twice the maximum credit, minus the tax otherwise due under this
7 chapter, but not less than zero.

8 (4) The department may prepare a tax credit table consisting of
9 tax ranges using increments of no more than five dollars and a
10 corresponding tax credit to be applied to those tax ranges. The table
11 shall be prepared in such a manner that no taxpayer will owe a
12 greater amount of tax by using the table than would be owed by
13 performing the calculation under subsections (1) through (3) of this
14 section. A table prepared by the department under this subsection
15 must be used by all taxpayers in taking the credit provided in this
16 section.

17 NEW SECTION. **Sec. 2.** This act applies to reporting periods
18 beginning on or after July 1, 2022.

19 NEW SECTION. **Sec. 3.** RCW 82.32.805 and 82.32.808 do not apply
20 to this act.

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