
SUBSTITUTE HOUSE BILL 1561

State of Washington

68th Legislature

2023 Regular Session

By House Finance (originally sponsored by Representatives Jacobsen, Griffey, Schmidt, Riccelli, Eslick, and Ryu)

1 AN ACT Relating to increasing the public utility tax exemption
2 threshold and annually adjusting the threshold for inflation;
3 amending RCW 82.16.040 and 82.32.045; creating a new section; and
4 providing an effective date.

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

6 **Sec. 1.** RCW 82.16.040 and 1996 c 111 s 4 are each amended to
7 read as follows:

8 (1) The provisions of this chapter (~~(shall)~~) do not apply to
9 persons engaging in one or more businesses taxable under this chapter
10 whose total gross income is less than (~~two thousand dollars~~) \$4,000
11 for a monthly period or portion thereof.

12 (2) Any person claiming exemption under this section may be
13 required to file returns even though no tax may be due. If the total
14 gross income for a taxable monthly period is (~~two thousand dollars~~)
15 \$4,000, or more, no exemption or deductions from the gross operating
16 revenue is allowed by this provision.

17 (3) Beginning October 1, 2024, and each October 1st thereafter,
18 the department shall adjust the threshold amount in subsection (1) of
19 this section by multiplying the current threshold amount by one plus
20 the percentage by which the most current consumer price index
21 available on October 1st of the current year exceeds the consumer

1 price index for the prior 12-month period and rounding the result to
2 the nearest \$10. If an adjustment under this subsection (3) would
3 reduce the threshold amount in subsection (1) of this section, the
4 department may not adjust the threshold amount for use in the
5 following year. The department must publish the threshold amount on
6 its public website by December 31st of each year. The adjusted
7 threshold amount calculated under this subsection (3) applies to
8 taxes due in the following calendar year.

9 (4) For purposes of this section, the following definitions
10 apply:

11 (a) "Consumer price index" means the consumer price index for all
12 urban consumers, all items, for the Seattle area as calculated by the
13 United States bureau of labor statistics or its successor agency.

14 (b) "Seattle area" means the geographic area sample that includes
15 Seattle and surrounding areas.

16 **Sec. 2.** RCW 82.32.045 and 2022 c 295 s 2 are each amended to
17 read as follows:

18 (1) Except as otherwise provided in this chapter and subsection
19 (6) of this section, payments of the taxes imposed under chapters
20 82.04, 82.08, 82.12, 82.14, and 82.16 RCW, along with reports and
21 returns on forms prescribed by the department, are due monthly within
22 twenty-five days after the end of the month in which the taxable
23 activities occur.

24 (2) The department of revenue may relieve any taxpayer or class
25 of taxpayers from the obligation of remitting monthly and may require
26 the return to cover other longer reporting periods, but in no event
27 may returns be filed for a period greater than one year. Except as
28 provided in subsection (3) of this section, for these taxpayers, tax
29 payments are due on or before the last day of the month next
30 succeeding the end of the period covered by the return.

31 (3) For annual filers, tax payments, along with reports and
32 returns on forms prescribed by the department, are due on or before
33 April 15th of the year immediately following the end of the period
34 covered by the return.

35 (4) The department of revenue may also require verified annual
36 returns from any taxpayer, setting forth such additional information
37 as it may deem necessary to correctly determine tax liability.

1 (5) Notwithstanding subsections (1) and (2) of this section, the
2 department may relieve any person of the requirement to file returns
3 if the following conditions are met:

4 (a) The person's value of products, gross proceeds of sales, or
5 gross income of the business, from all business activities taxable
6 under chapter 82.04 RCW, is less than \$125,000;

7 (b) The person's gross income of the business from all activities
8 taxable under chapter 82.16 RCW is less than (~~twenty-four thousand~~
9 ~~dollars per year~~) the threshold amount provided in RCW 82.16.040;
10 and

11 (c) The person is not required to collect or pay to the
12 department of revenue any other tax or fee which the department is
13 authorized to collect.

14 (6)(a) Taxes imposed under chapter 82.08 or 82.12 RCW on taxable
15 events that occur beginning January 1, 2019, through June 30, 2019,
16 and payable by a consumer directly to the department are due, on
17 returns prescribed by the department, by July 25, 2019.

18 (b) This subsection (6) does not apply to the reporting and
19 payment of taxes imposed under chapters 82.08 and 82.12 RCW:

20 (i) On the retail sale or use of motor vehicles, vessels, or
21 aircraft; or

22 (ii) By consumers who are engaged in business, unless the
23 department has relieved the consumer of the requirement to file
24 returns pursuant to subsection (5) of this section.

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

27 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2024.

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