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HOUSE BILL 2068

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State of Washington

65th Legislature

2017 Regular Session

By Representative MacEwen

1 AN ACT Relating to simplifying business and occupation tax  
2 administration; amending RCW 82.32.045; adding new sections to  
3 chapter 82.04 RCW; creating a new section; repealing RCW 82.04.4451;  
4 and providing an effective date.

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

6 **Sec. 1.** RCW 82.32.045 and 2010 1st sp.s. c 23 s 1103 are each  
7 amended to read as follows:

8 (1) Except as otherwise provided in this chapter, payments of the  
9 taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16  
10 RCW, along with reports and returns on forms prescribed by the  
11 department, are due monthly within twenty-five days after the end of  
12 the month in which the taxable activities occur.

13 (2) The department of revenue may relieve any taxpayer or class  
14 of taxpayers from the obligation of remitting monthly and may require  
15 the return to cover other longer reporting periods, but in no event  
16 may returns be filed for a period greater than one year. For these  
17 taxpayers, tax payments are due on or before the last day of the  
18 month next succeeding the end of the period covered by the return.

19 (3) The department of revenue may also require verified annual  
20 returns from any taxpayer, setting forth such additional information  
21 as it may deem necessary to correctly determine tax liability.

1 (4) Notwithstanding subsections (1) and (2) of this section, the  
2 department may relieve any person of the requirement to file returns  
3 and pay any taxes otherwise due under chapters 82.04 and 82.16 RCW if  
4 the following conditions are met:

5 (a) The person's value of products, gross proceeds of sales, or  
6 gross income of the business, from all business activities taxable  
7 under chapter 82.04 RCW, is less than( (+

8 ~~(i) Twenty eight thousand dollars per year; or~~

9 ~~(ii) Forty six thousand six hundred sixty seven dollars per year~~  
10 ~~for persons generating at least fifty percent of their taxable amount~~  
11 ~~from activities taxable under RCW 82.04.255, 82.04.290(2)(a), and~~  
12 ~~82.04.285)) two hundred thousand dollars per year;~~

13 (b) The person's gross income of the business from all activities  
14 taxable under chapter 82.16 RCW is less than twenty-four thousand  
15 dollars per year; and

16 (c) The person is not required to collect or pay to the  
17 department of revenue any other tax or fee which the department is  
18 authorized to collect.

19 NEW SECTION. Sec. 2. A new section is added to chapter 82.04  
20 RCW to read as follows:

21 (1) Beginning January 1, 2018, upon every person engaging within  
22 the state in business activities that are subject to tax under any  
23 other section of this chapter; as to such persons, an additional tax  
24 is imposed. The amount of the additional tax imposed under this  
25 section with respect to such business is equal to the tax payable  
26 under all other sections of this chapter multiplied by 7 percent.

27 (2) The additional tax under this section is due in the form and  
28 manner determined by the department.

29 NEW SECTION. Sec. 3. A new section is added to chapter 82.04  
30 RCW to read as follows:

31 (1) In computing the tax imposed under this chapter, there may be  
32 deducted from the measure of tax the maximum sum of sixteen thousand  
33 six hundred sixty-seven dollars multiplied by the number of months in  
34 the reporting period, as determined under RCW 82.32.045.

35 (2) When the measure of tax is equal to or less than the  
36 deduction allowed under subsection (1) of this section, no tax is  
37 due. The deduction cannot be carried forward or backward to

1 subsequent or prior reporting periods. No refunds are allowed for the  
2 deduction under this section.

3 (3) For taxpayers subject to taxes imposed under multiple  
4 provisions of this chapter, this deduction must be applied to the  
5 measure of tax in order of the business activities taxed at the  
6 highest to lowest rates.

7 (4) This deduction is in addition to any other applicable  
8 deductions or exemptions allowed for the taxes due under this chapter  
9 and must be claimed after all other deductions are claimed.

10 NEW SECTION. **Sec. 4.** RCW 82.04.4451 (Credit against tax due—  
11 Maximum credit—Table) and 2010 1st sp.s. c 23 s 1102, 1997 c 238 s 2,  
12 & 1994 sp.s. c 2 s 1 are each repealed.

13 NEW SECTION. **Sec. 5.** The provisions of RCW 82.32.805 and  
14 82.32.808 do not apply to this act.

15 NEW SECTION. **Sec. 6.** This act takes effect January 1, 2018.

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