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**ENGROSSED SUBSTITUTE SENATE BILL 6038**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2024 Regular Session

**State of Washington                      68th Legislature                      2024 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators C. Wilson, Lovelett, Keiser, Kuderer, Lias, Nguyen, Nobles, Randall, Salomon, Valdez, and Wellman)

READ FIRST TIME 02/05/24.

1            AN ACT Relating to reducing the costs associated with providing  
2 child care; amending RCW 82.04.2905; creating a new section; and  
3 providing an effective date.

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

5            NEW SECTION.    **Sec. 1.**    (1) This section is the tax preference  
6 performance statement for the tax preference contained in section 2,  
7 chapter . . . , Laws of 2024 (section 2 of this act). This performance  
8 statement is only intended to be used for subsequent evaluation of  
9 the tax preferences. It is not intended to create a private right of  
10 action by any party or to be used to determine eligibility for  
11 preferential tax treatment.

12            (2) The legislature categorizes this tax preference as one  
13 intended to provide tax relief for certain businesses or individuals,  
14 as indicated in RCW 82.32.808(2)(e).

15            (3) It is the legislature's specific public policy objective to  
16 reduce the costs associated with providing child care by expanding  
17 the business and occupation tax exemption for child care services to  
18 include income derived from the care and education of children up to  
19 age 12.

1 (4) If a review finds a reduction in the cost of providing child  
2 care and education, then the legislature intends to extend the  
3 expiration date of this tax preference.

4 (5) In order to obtain the data necessary to perform the review  
5 in subsection (4) of this section, the joint legislative audit and  
6 review committee may refer to any data collected by the state.

7 **Sec. 2.** RCW 82.04.2905 and 1998 c 312 s 7 are each amended to  
8 read as follows:

9 (~~Upon~~) (1) Except as provided in subsection (2) of this  
10 section, upon every person engaging within this state in the business  
11 of providing child care for periods of less than twenty-four hours  
12 (~~as to such persons~~), the amount of tax with respect to such business  
13 (~~shall be~~) is equal to the gross proceeds derived from such sales  
14 multiplied by the rate of 0.484 percent.

15 (2) Until January 1, 2035, this chapter does not apply to amounts  
16 received by a child care provider for the care and supervision for  
17 periods of less than 24 hours of children:

18 (a) Under 13 years of age; or

19 (b) Under 19 years of age who have a verified special need or are  
20 under court supervision as determined by the department of children,  
21 youth, and families under chapter 43.216 RCW.

22 (3) The exemption under subsection (2) of this section applies  
23 only to persons primarily engaged in the business of providing child  
24 care.

25 NEW SECTION. **Sec. 3.** This act takes effect October 1, 2024.

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