
SENATE BILL 5034

State of Washington 54th Legislature 1995 Regular Session

By Senators Quigley, Haugen, Winsley, Rasmussen and Oke

Read first time 01/09/95. Referred to Committee on Ways & Means.

1 AN ACT Relating to decreasing business and occupation tax rates;
2 amending RCW 82.04.255 and 82.04.290; creating a new section; repealing
3 RCW 82.04.2201 and 82.04.055; providing effective dates; and declaring
4 an emergency.

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

6 NEW SECTION. **Sec. 1.** RCW 82.04.2201 and 1994 1st sp.s. c 10 s 1
7 & 1993 sp.s. c 25 s 204 are each repealed.

8 NEW SECTION. **Sec. 2.** The repeals in section 1 of this act shall
9 not be construed as affecting any existing right acquired or liability
10 or obligation incurred under the sections repealed or under any rule of
11 order adopted under those sections, nor as affecting any proceeding
12 instituted under those sections.

13 **Sec. 3.** RCW 82.04.255 and 1993 sp.s. c 25 s 202 are each amended
14 to read as follows:

15 Upon every person engaging within the state as a real estate
16 broker; as to such persons, the amount of the tax with respect to such

1 business shall be equal to the gross income of the business, multiplied
2 by the rate of ~~((2.0))~~ 1.5 percent.

3 The measure of the tax on real estate commissions earned by the
4 real estate broker shall be the gross commission earned by the
5 particular real estate brokerage office including that portion of the
6 commission paid to salesmen or associate brokers in the same office on
7 a particular transaction: PROVIDED, HOWEVER, That where a real estate
8 commission is divided between an originating brokerage office and a
9 cooperating brokerage office on a particular transaction, each
10 brokerage office shall pay the tax only upon their respective shares of
11 said commission: AND PROVIDED FURTHER, That where the brokerage office
12 has paid the tax as provided herein, salesmen or associate brokers
13 within the same brokerage office shall not be required to pay a similar
14 tax upon the same transaction.

15 **Sec. 4.** RCW 82.04.290 and 1993 sp.s. c 25 s 203 are each amended
16 to read as follows:

17 ~~((1) Upon every person engaging within this state in the business
18 of providing selected business services other than or in addition to
19 those enumerated in RCW 82.04.250 or 82.04.270; as to such persons the
20 amount of tax on account of such activities shall be equal to the gross
21 income of the business multiplied by the rate of 2.5 percent.~~

22 ~~(2) Upon every person engaging within this state in banking, loan,
23 security, investment management, investment advisory, or other
24 financial businesses; as to such persons, the amount of the tax with
25 respect to such business shall be equal to the gross income of the
26 business, multiplied by the rate of 1.70 percent.~~

27 ~~(3))~~ Upon every person engaging within this state in any business
28 activity other than or in addition to those enumerated in RCW
29 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, and
30 82.04.280(~~(, and subsections (1) and (2) of this section)~~); as to such
31 persons the amount of tax on account of such activities shall be equal
32 to the gross income of the business multiplied by the rate of ~~((2.0))~~
33 1.5 percent. This section includes, among others, and without limiting
34 the scope hereof (whether or not title to materials used in the
35 performance of such business passes to another by accession, confusion
36 or other than by outright sale), persons engaged in the business of
37 rendering any type of service which does not constitute a "sale at
38 retail" or a "sale at wholesale." The value of advertising,

1 demonstration, and promotional supplies and materials furnished to an
2 agent by his principal or supplier to be used for informational,
3 educational and promotional purposes shall not be considered a part of
4 the agent's remuneration or commission and shall not be subject to
5 taxation under this section.

6 NEW SECTION. **Sec. 5.** RCW 82.04.055 and 1993 sp.s. c 25 s 201 are
7 each repealed.

8 NEW SECTION. **Sec. 6.** (1) Sections 1 and 2 of this act are
9 necessary for the immediate preservation of the public peace, health,
10 or safety, or support of the state government and its existing public
11 institutions, and shall take effect July 1, 1995.

12 (2) Sections 3 through 5 of this act shall take effect July 1,
13 1996.

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