

SHB 1601 - H AMD 285

By Representative Hargrove

NOT CONSIDERED 04/22/2011

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 82.04.4451 and 2010 1st sp.s. c 23 s 1102 are each
4 amended to read as follows:

5 (1) In computing the tax imposed under this chapter, a credit is
6 allowed against the amount of tax otherwise due under this chapter, as
7 provided in this section. (~~Except for taxpayers that report at least~~
8 ~~fifty percent of their taxable amount under RCW 82.04.255,~~
9 ~~82.04.290(2)(a), and 82.04.285, the maximum credit for a taxpayer for~~
10 ~~a reporting period is thirty five dollars multiplied by the number of~~
11 ~~months in the reporting period, as determined under RCW 82.32.045. For~~
12 ~~a taxpayer that reports at least fifty percent of its taxable amount~~
13 ~~under RCW 82.04.255, 82.04.290(2)(a), and 82.04.285,)). The maximum~~
14 credit for a reporting period is seventy dollars multiplied by the
15 number of months in the reporting period, as determined under RCW
16 82.32.045.

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

20 (3) When the amount of tax otherwise due under this chapter exceeds
21 the maximum credit, a reduced credit is allowed equal to twice the
22 maximum credit, minus the tax otherwise due under this chapter, but not
23 less than zero.

24 (4) The department may prepare a tax credit table consisting of tax
25 ranges using increments of no more than five dollars and a
26 corresponding tax credit to be applied to those tax ranges. The table
27 shall be prepared in such a manner that no taxpayer will owe a greater
28 amount of tax by using the table than would be owed by performing the
29 calculation under subsections (1) through (3) of this section. A table

1 prepared by the department under this subsection must be used by all
2 taxpayers in taking the credit provided in this section.

3 **Sec. 2.** RCW 82.32.030 and 2007 c 6 s 202 are each amended to read
4 as follows:

5 (1) Except as provided in subsections (2) and (3) of this section,
6 if any person engages in any business or performs any act upon which a
7 tax is imposed by the preceding chapters, he or she (~~shall~~) must,
8 under such rules as the department (~~of revenue shall~~) prescribes,
9 apply for and obtain from the department a registration certificate.
10 Such registration certificate (~~shall be~~) is personal and
11 nontransferable and shall be valid as long as the taxpayer continues in
12 business and pays the tax accrued to the state. In case business is
13 transacted at two or more separate places by one taxpayer, a separate
14 registration certificate for each place at which business is transacted
15 with the public (~~shall be~~) is required. Each certificate (~~shall~~)
16 must be numbered and (~~shall~~) must show the name, residence, and place
17 and character of business of the taxpayer and such other information as
18 the department (~~of revenue~~) deems necessary and (~~shall~~) must be
19 posted in a conspicuous place at the place of business for which it is
20 issued. Where a place of business of the taxpayer is changed, the
21 taxpayer must return to the department the existing certificate, and a
22 new certificate will be issued for the new place of business. No
23 person required to be registered under this section shall engage in any
24 business taxable hereunder without first being so registered. The
25 department, by rule, may provide for the issuance of certificates of
26 registration to temporary places of business.

27 (2) Unless the person is a dealer as defined in RCW 9.41.010,
28 registration under this section is not required if the following
29 conditions are met:

30 (a) A person's value of products, gross proceeds of sales, or gross
31 income of the business, from all business activities taxable under
32 chapter 82.04 RCW, is less than (~~twelve~~) twenty-eight thousand
33 dollars per year;

34 (b) The person's gross income of the business from all activities
35 taxable under chapter 82.16 RCW is less than (~~twelve~~) twenty-eight
36 thousand dollars per year;

1 (c) The person is not required to collect or pay to the department
2 ((~~of revenue~~)) any other tax or fee which the department is authorized
3 to collect; and

4 (d) The person is not otherwise required to obtain a license
5 subject to the master application procedure provided in chapter 19.02
6 RCW.

7 (3) All persons who agree to collect and remit sales and use tax to
8 the department under the agreement must register through the central
9 registration system authorized under the agreement. Persons required
10 to register under subsection (1) of this section are not relieved of
11 that requirement because of registration under this subsection (3).

12 (4) Persons registered under subsection (3) of this section who are
13 not required to register under subsection (1) of this section and who
14 are not otherwise subject to the requirements of chapter 19.02 RCW are
15 not subject to the fees imposed by RCW 19.02.075.

16 **Sec. 3.** RCW 82.32.045 and 2010 1st sp.s. c 23 s 1103 are each
17 amended to read as follows:

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

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

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

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

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

1 ~~(i) Twenty-eight thousand dollars per year; or~~
2 ~~(ii) Forty-six thousand six hundred sixty-seven dollars per year~~
3 ~~for persons generating at least fifty percent of their taxable amount~~
4 ~~from activities taxable under RCW 82.04.255, 82.04.290(2)(a), and~~
5 ~~82.04.285)) fifty-six thousand dollars per year;~~

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

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

12 NEW SECTION. **Sec. 4.** This act takes effect August 1, 2011."

13 Correct the title.

EFFECT: Strikes the underlying bill. Increases the small
business credit for all remaining taxpayers not able to claim the
higher credit amount. Increases the taxpayer income threshold for
registering with the Department of Revenue. Increases the tax return
filing threshold.

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