

SB 5289 - H COMM AMD

By Committee on Ways & Means

ADOPTED 05/13/2011

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

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW  
4 to read as follows:

5 (1) In computing tax due under this chapter, there may be deducted  
6 from the measure of tax all amounts received by:

7 (a) A nonprofit property management company from the owner of  
8 property for gross wages, benefits, and payroll taxes paid to, or for,  
9 personnel performing on-site functions;

10 (b) A property management company from a housing authority for  
11 gross wages, benefits, and payroll taxes paid to, or for, personnel  
12 performing on-site functions; or

13 (c) A property management company from a limited liability company  
14 or limited partnership of which the sole managing member or sole  
15 general partner is a housing authority for gross wages, benefits, and  
16 payroll taxes paid to, or for, personnel performing on-site functions.

17 (2) A person claiming the deduction under this section must file a  
18 complete annual report with the department under RCW 82.32.534.

19 (3) The definitions in this subsection apply to this section.

20 (a) "Personnel performing on-site functions" means a person who  
21 meets all of the following conditions:

22 (i) The person works at the owner's property or centrally performs  
23 on-site functions for the property;

24 (ii) The person's duties include leasing property units,  
25 maintaining the property, preparing tenant income certification  
26 paperwork or other compliance documents required to lease the unit,  
27 collecting rents, recording rents, or performing similar activities;  
28 and

29 (iii) The property management company, for whom the personnel

1 performing on-site functions works, operates under a written property  
2 management agreement.

3 (b) "Nonprofit property management company" means a property  
4 management company that:

5 (i) Is exempt from the tax under 26 U.S.C. Sec. 501(c) of the  
6 federal internal revenue code, as it exists on January 1, 2010, but  
7 only when such organization is providing property management services  
8 for low-income housing that has qualified for the property tax  
9 exemption under RCW 84.36.560; or

10 (ii) Is a public corporation established under RCW 35.21.730.

11 (c) "Housing authority" means a housing authority created pursuant  
12 to chapter 35.82 RCW.

13 (4) This section expires July 1, 2016.

14 NEW SECTION. **Sec. 2.** RCW 82.04.394 (Exemptions--Amounts received  
15 by property management company for on-site personnel) and 2010 1st  
16 sp.s. c 23 s 1202, 2010 c 106 s 209, & 1998 c 338 s 2 are each  
17 repealed.

18 NEW SECTION. **Sec. 3.** This act does not affect any existing right  
19 acquired or liability or obligation incurred under the sections amended  
20 or repealed in this act or under any rule or order adopted under those  
21 sections, nor does it affect any proceeding instituted under those  
22 sections."

23 Correct the title.

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