
SENATE BILL 5289

State of Washington

62nd Legislature

2011 Regular Session

By Senators Murray and Zarelli

Read first time 01/20/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to a business and occupation tax deduction for
2 payments made to certain property management companies for personnel
3 performing on-site functions; adding a new section to chapter 82.04
4 RCW; creating a new section; and repealing RCW 82.04.394.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
7 to read as follows:

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

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

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

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

1 (2) The definitions in this subsection apply to this section.

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

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

6 (ii) The person's duties include leasing property units,
7 maintaining the property, preparing tenant income certification
8 paperwork or other compliance documents required to lease the unit,
9 collecting rents, recording rents, or performing similar activities;
10 and

11 (iii) The property management company, for whom the personnel
12 performing on-site functions works, operates under a written property
13 management agreement.

14 (b) "Nonprofit property management company" means a property
15 management company that:

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

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

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

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

28 NEW SECTION. **Sec. 3.** This act does not affect any existing right
29 acquired or liability or obligation incurred under the sections amended
30 or repealed in this act or under any rule or order adopted under those
31 sections, nor does it affect any proceeding instituted under those
32 sections.

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