
SENATE BILL 5109

State of Washington

63rd Legislature

2013 Regular Session

By Senators Padden, Benton, Smith, and Conway

Read first time 01/18/13. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to creating a business and occupation tax exemption
2 for new businesses; adding a new section to chapter 82.04 RCW;
3 providing an effective date; and declaring an emergency.

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

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

7 (1) This chapter does not apply to:

8 (a) A new business during the first twelve months of operation of
9 the business; or

10 (b) A new business during the first twenty-four months of operation
11 of the business if the new business has less than twenty-five
12 employment positions at the time it begins to engage in the normal
13 course of business. During the next twelve months of operation of the
14 business, the business is exempt from fifty percent of taxes due under
15 this chapter.

16 (2) As used in this section:

17 (a)(i) "New business" means a business that obtained or was
18 required to obtain a registration certificate under RCW 82.32.030 for

1 the first time during the calendar year for which exemption is first
2 claimed under this section.

3 (ii) "New business" does not include:

4 (A) A business that has been restructured, reorganized, or
5 transferred, unless the majority of the activities to be conducted
6 after the restructuring, reorganization, or transfer are significantly
7 different from the activities previously conducted;

8 (B) A new branch location or other facility except by an existing
9 out-of-state entity first doing business in this state;

10 (C) A business that is substantially similar to a business
11 currently operated, or operated within the past five years, by the same
12 principals.

13 (b) "Employment position" means a full-time, permanent employee of
14 the new business.

15 (3)(a) A new business must file an application, in a form and
16 manner required by the department, to qualify for the exemption under
17 this section.

18 (b) An application under this section must be filed within one year
19 of the time the business was required to obtain a registration
20 certificate under RCW 82.32.030.

21 (c) The time periods in subsection (1) of this section begin when
22 the application is approved.

23 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
24 preservation of the public peace, health, or safety, or support of the
25 state government and its existing public institutions, and takes effect
26 July 1, 2013.

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