
SENATE BILL 6216

State of Washington

64th Legislature

2016 Regular Session

By Senators Padden, Takko, Miloscia, Pearson, Angel, Becker, Schoesler, Rivers, O'Ban, Bailey, Dammeier, Warnick, Sheldon, Roach, and Hobbs

Read first time 01/13/16. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing tax relief for small businesses by
2 increasing the small business tax credit; amending RCW 82.04.4451 and
3 82.32.045; creating new sections; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
6 performance statement for the tax preference contained in sections 2
7 and 3 of this act. This performance statement is only intended to be
8 used for subsequent evaluation of the tax preference. It is not
9 intended to create a private right of action by any party or be used
10 to determine eligibility for preferential tax treatment.

11 (2) The legislature categorizes the tax preference in sections 2
12 and 3 of this act as one intended to provide tax relief for all small
13 businesses as indicated in RCW 82.32.808(2)(e).

14 (3) It is the legislature's specific public policy objective to
15 support small businesses. It is the legislature's intent to increase
16 the small business tax credit, thereby providing small businesses
17 with greater tax relief. Because the legislature intends for the
18 changes in this act to be permanent, they are exempt from the ten-
19 year expiration provision in RCW 82.32.805.

1 **Sec. 2.** RCW 82.04.4451 and 2010 1st sp.s. c 23 s 1102 are each
2 amended to read as follows:

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

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

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

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

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

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

38 (2) The department of revenue may relieve any taxpayer or class
39 of taxpayers from the obligation of remitting monthly and may require

1 the return to cover other longer reporting periods, but in no event
2 may returns be filed for a period greater than one year. For these
3 taxpayers, tax payments are due on or before the last day of the
4 month next succeeding the end of the period covered by the return.

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

8 (4) Notwithstanding subsections (1) and (2) of this section, the
9 department may relieve any person of the requirement to file returns
10 and pay any taxes otherwise due under chapter 82.04 or 82.16 RCW if
11 the following conditions are met:

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

15 ~~(i) Twenty-eight~~) one hundred thousand dollars per year(~~(+or~~

16 ~~(ii) Forty-six thousand six hundred sixty-seven dollars per year~~
17 ~~for persons generating at least fifty percent of their taxable amount~~
18 ~~from activities taxable under RCW 82.04.255, 82.04.290(2)(a), and~~
19 ~~82.04.285));~~

20 (b) The person's gross income of the business from all activities
21 taxable under chapter 82.16 RCW is less than (~~(twenty-four~~) one
22 hundred thousand dollars per year; and

23 (c) The person is not required to collect or pay to the
24 department of revenue any other tax or fee which the department is
25 authorized to collect.

26 NEW SECTION. Sec. 4. The legislature intends for the amendments
27 in this act to be permanent. Therefore, the amendments in this act
28 are exempt from the ten-year expiration provision in RCW 82.32.805.

29 NEW SECTION. Sec. 5. This act takes effect January 1, 2017.

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