Initiative Measure No. 1089

FILED
APR 15 2010
SECRETARY OF STATE
STATE OF WASHINGTON

1 AN ACT Relating to eliminating the recent tax increase on business
2 services; amending RCW 82.04.4451 and 82.32.045; creating new sections;
3 and repealing RCW 82.04.---.

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

5 **INTENT**

6 NEW SECTION. **Sec. 1.** Citizens are already heavily taxed on
7 business services and should not be subjected to extra taxes,
8 especially during these tough economic times. This measure would
9 eliminate the recent tax increase on business services imposed by the
10 2010 legislature.

11 **PROTECTING TAXPAYERS BY ELIMINATING THE RECENT TAX INCREASE**
12 **ON BUSINESS SERVICES**

13 **Sec. 2.** RCW 82.04.4451 and 2010 1st sp.s. c ... (2ESSB 6143) s
14 1102 are each amended to read as follows:
15 (1) In computing the tax imposed under this chapter, a credit is
16 allowed against the amount of tax otherwise due under this chapter, as

provided in this section. ((~~Except for taxpayers that report at least fifty percent of their taxable amount under RCW 82.04.255, 82.04.290(2)(a), and 82.04.285, the maximum credit for a taxpayer~~)) The maximum credit for a taxpayer for a reporting period is thirty-five dollars multiplied by the number of months in the reporting period, as determined under RCW 82.32.045. ((~~For a taxpayer that reports at least fifty percent of its taxable amount under RCW 82.04.255, 82.04.290(2)(a), and 82.04.285, the maximum credit for a reporting period is seventy dollars multiplied by the number of months in the reporting period, as determined under RCW 82.32.045.~~))

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

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

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

Sec. 3. RCW 82.32.045 and 2010 1st sp.s. c ... (2ESSB 6143) s 1103 are each amended to read as follows:

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

(2) The department of revenue may relieve any taxpayer or class of taxpayers from the obligation of remitting monthly and may require the return to cover other longer reporting periods, but in no event may returns be filed for a period greater than one year. For these

taxpayers, tax payments are due on or before the last day of the month next succeeding the end of the period covered by the return.

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

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

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

~~(i)~~)) twenty-eight thousand dollars per year((~~; or~~

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

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

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

NEW SECTION. **Sec. 4.** RCW 82.04.--- and 2010 1st sp.s. c ... (2ESSB 6143) s 1101 are each repealed.

CONSTRUCTION CLAUSE

NEW SECTION. **Sec. 5.** The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

SEVERABILITY CLAUSE

NEW SECTION. **Sec. 6.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

1 **STOP THE TAX INCREASE ON BUSINESS SERVICES ACT**

2 NEW SECTION. **Sec. 7.** This act shall be known and cited as the
3 stop the tax increase on business services act of 2010.

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