

Impose 25% or 10% surtax on B&O tax rates, including those with a 0.3% surcharge

Description This proposal adds an additional rate of tax (surtax) to all B&O tax classifications.

This proposal provides for surtaxes with rates equal to either:

- **Option 33** - 25% of the existing B&O tax rates, or
- **Option 35** - 10% of the existing B&O tax rates.

Current Law For the privilege of engaging in business, a B&O tax is imposed on the gross receipts of businesses operating in Washington.

Currently, 12 different B&O tax rates apply to various classifications of business activity.

Revenue Impact

General Fund Impacts (\$ millions):

Option	Surtax on Existing Rates	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
33	25%	\$0	\$794.9	\$794.9
35	10%	\$0	\$317.9	\$317.9

Notes:

- *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
- *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*

Expenditure Impact

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$310,700	\$654,000	\$964,700