

Increase the retailing B&O tax rate

Description This proposal increases the B&O tax rate for retailing activity from the current rate of 0.471% to 0.484%.

Current Law For the privilege of engaging in business, a B&O tax is imposed on the gross receipts (without deductions for the cost of doing business) of businesses operating in Washington.

Currently, twelve different B&O tax rates apply to various classifications of business activity. The retailing B&O rate is currently 0.471%.

Revenue Impact

General Fund Impacts (\$ millions):

# of Impacted Taxpayers	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
193,000	\$ -	\$ 23.9	\$ 23.9	\$ 27.5	\$ 28.8	\$ 56.3

Notes:

- Estimates assume a July 1, 2016 effective date, representing 11 months of collections for FY 2017.
- Estimates reflect the November 2015 Economic & Revenue Forecast Council revenue forecast.

Expenditure Impact

FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
\$ 79,100	\$ 279,400	\$ 358,500	\$ 36,700	\$ -	\$ 36,700