

Repeal the membership fees & dues B&O tax deduction

Description This proposal would repeal the membership fees and dues B&O tax deduction.

Current Law RCW 82.04.4282 provides a B&O tax deduction for “bona fide” initiation fees and dues.

- This has been defined by rule to mean charges for the express privilege of belonging to a club, organization, or society (i.e., the social aspect of membership).
- These are amounts that are *not* provided in exchange for any significant goods or services.

Revenue Impact General Fund Impacts (\$ millions):

# of Impacted Taxpayers	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019
5,000	\$ -	\$ 10.6	\$ 10.6	\$ 12.8	\$ 14.5

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
\$ 3,600	\$ -	\$ 3,600	\$ -	\$ -	\$ -