



EXPEDITED RULE MAKING

CR-105 (July 2010)
(Implements RCW 34.05.353)
EXPEDITED RULE MAKING ONLY

Agency: Department of Revenue

Title of rule and other identifying information: WAC 458-20-104 (Rule 104) *Small business tax relief based on income of business* explains how the business and occupation (B&O) tax credit for small businesses, commonly referred to as the small business credit (SBC), is calculated. It also explains the public utility tax (PUT) income exemption for public utilities.

NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO

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AND RECEIVED BY: November 1, 2010

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The Department proposes to amend Rule 104 to reflect changes made in Chapter 23, section 1102, Laws of 2010, 1st Special Session. This legislation increased the small business B&O tax credit to a maximum of \$70 per month, but only for taxpayers whose B&O taxable amounts from activities taxable under RCW 82.04.255 (Real estate brokers), 82.04.290(2)(a) (Service and other activities tax classification), and 82.04.285 (Contests of chance) add up to 50% or greater of the total of all B&O taxable amounts reported on the return.

Rule 104 currently provides tax credit tables for monthly, quarterly, and annual filers eligible for a maximum credit of \$35 per month. Rather than add more tables reflecting the maximum \$70 per month credit, the Department is proposing to refer readers to the Department's internet page to view tax credit tables.

Copies of draft rules are available for viewing and printing on our website at:
<http://dor.wa.gov/content/FindALawOrRule/RuleMaking/agenda.aspx>

Reasons supporting proposal: To recognize 2010 legislation.

Statutory authority for adoption:
RCW 82.32.300 and 82.01.060(2)

Statute being implemented:
RCW 82.32.030 and 82.32.045

Is rule necessary because of a:

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If yes, CITATION:

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 30, 2010

TIME: 2:44 PM

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Date
August 30, 2010

Name
Alan R. Lynn

Signature

Title Rules Coordinator

Name of proponent: (person or organization) Department of Revenue

- Private
- Public
- Governmental

Name of agency personnel responsible for:

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Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

None.