

Amendment 6 to CB 119250 – Non-Profits (Chair Bagshaw)

On page 7, after line 18, amend the subsection as shown below:

“5.37.050 Exemptions from the employee hours tax

A. The following are exempt from the employee hour tax:

1. Any business having taxable gross income under Chapter 5.45 of \$20,000,000 or less in the most recent complete calendar year.
2. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:
 - a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.
 - b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.
 - c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.
 - d. Federal and state government agencies and subdivisions.
3. Non-profit organizations that hold a current tax exempt status as provided under Section 501(c)(3) of the Internal Revenue Code, as hereafter amended, or that are specifically exempted from the requirement to apply for tax exempt status under Sec. 501(c)(3).”

~~Non-profit organizations as defined in Section 5.30.040~~

On page 11, after line 11, amend the subsection as shown below:

“5.38.050 Exemptions from the business payroll tax

A. The following are exempt from the business payroll tax:

1. Any business having taxable gross income under Chapter 5.45 of \$20,000,000 or less in the most recent complete calendar year.

2. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:

a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.

b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.

c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.

d. Federal and state government agencies and subdivisions.

3. Non-profit organizations that hold a current tax exempt status as provided under Section 501(c)(3) of the Internal Revenue Code, as hereafter amended, or that are specifically exempted from the requirement to apply for tax exempt status under Sec. 501(c)(3).

~~Non-profit organizations as defined in Section 5.30.040.”~~

Renumber sections and correct any internal references accordingly.

Effect: This amendment would change the definition of “non-profits” for both the Employee Hours Tax and the Business Payroll Tax. The new definition would have the effect of exempting all 501(c)(3) entities from both taxes.