

Gross Receipts:

Washington DOR Proposes Rule Implementing B&O Tax Workforce Education Surcharges

Proposed Reg. Section 458-20-NEW Workforce education investment surcharge, Wash. Dept. of Rev. (7/28/21). Following the initial enactment of Washington's three-tiered state business and occupation (B&O) tax "workforce education surcharges" in 2019 [see E2SHB 2158 (2019) for more details on these 2019 law changes] and subsequently enacted legislation [see ESSB 6492 (2020) and previously issued Multistate Tax Alert for more details on these 2020 law changes] that modified and delayed the effective date of the workforce education surcharges on select advanced computing businesses to April 1, 2020, the Washington Department of Revenue has proposed a new administrative rule that provides information about the taxability of, and surcharge imposed on, select advanced computing businesses as described in Wash. Rev. Code section 82.04.299. Written comments on the proposal must be submitted by September 15, 2021, and a virtual public hearing is scheduled for September 8, 2021. Please contact us with any questions.

URL: <https://dor.wa.gov/sites/default/files/legacy/Docs/Rules/draft/20-290cr2frmdraftjul21.pdf>

URL: <https://app.leg.wa.gov/bills/summary/BillNumber=2158&Initiative=false&Year=2019>

URL: <https://apps.leg.wa.gov/bills/summary/BillNumber=6492&Year=2020>

URL: <https://www2.deloitte.com/us/en/pages/tax/articles/new-washington-law-revises-workforce-education-surcharge-and-increases-the-business-occupation-tax-rate-for-service-and-other-activities.html?id=us:2em:3na:stm:awa:tax:080621&sfid=7015Y000003WdKEQA0>

— Robert Wood (Seattle)
Senior Manager
Deloitte Tax LLP
robwood@deloitte.com

Myles Brenner (Seattle)
Senior Manager
Deloitte Tax LLP
mybrenner@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.