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Governor



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May 12, 2011

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 3, Senate Bill 5083 entitled:

"AN ACT Relating to clarifying that the basis for business and occupation tax for real estate firms is the commission amount received by each real estate firm involved in a transaction."

Senate Bill 5083 provides that when a real estate commission on a particular transaction is divided among real estate firms at the closing of the transaction, each firm must pay the tax only upon its respective share.

Section 3 would apply this act both prospectively and retroactively. The retroactive application of the bill would reward delinquent taxpayers while those who paid on time would not receive a refund under the prohibition on the gift of state funds in Article VIII, Section 5 of the Washington Constitution, as interpreted by the Washington Supreme Court.

For this reason, I have vetoed Section 3 of Senate Bill 5083.

With the exception of Section 3, Senate Bill 5083 is approved.

Respectfully submitted,

/s/

Christine O. Gregoire
Governor