

## Gross Receipts:

### Washington Supreme Court Agrees to Hear Case on Whether Investment Funds are Eligible for Investment Income Deduction

Case No. 1022239, Wash. (review granted 11/7/23). The Washington Supreme Court recently granted the taxpayers' request to review a Washington Court of Appeals ruling from earlier this year involving sixteen investment funds [see Case No. 57312-1-II, Wash. Ct. App. (4/11/23) and *State Tax Matters*, Issue 2023-15, for more details on this earlier ruling], which held that their investment income did *not* qualify for a former deduction from the measure of Washington business and occupation (B&O) taxes. In the earlier ruling, the Washington Court of Appeals had reasoned that pursuant to state caselaw, this former investment income deduction is limited to income from investments that are incidental rather than the main purpose of a B&O taxpayer's business. Please contact us with any questions.

[URL: https://www.courts.wa.gov/appellate\\_trial\\_courts/supreme/index.cfm?fa=atc\\_supreme.currentPetitions](https://www.courts.wa.gov/appellate_trial_courts/supreme/index.cfm?fa=atc_supreme.currentPetitions)

[URL: https://www.courts.wa.gov/opinions/pdf/D2%2057312-1-II%20Published%20Opinion.pdf](https://www.courts.wa.gov/opinions/pdf/D2%2057312-1-II%20Published%20Opinion.pdf)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230414\\_9.html](https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230414_9.html)

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