

## Gross Receipts:

### Washington DOR Guidance Addresses Taxation of International Investment Management Services

*Tax Topic: International investment management services, Wash. Dept. of Rev. (11/1/24).* The Washington Department of Revenue (Department) issued guidance on Washington's preferential state business and occupation (B&O) tax rate for international investment management services (IIMS) [see ESB 6016, Chapter 426, Laws of 2019; Special Notice: Taxation of International Investment Management Companies, Wash. Dept. of Rev. (6/12/19); and previously issued Multistate Tax Alert for more details on these provisions]. In it, the Department generally explains that if a business or individual provides IIMS, they may qualify for a lower B&O tax rate of 0.275% under certain conditions – noting that investment management services include investment research, investment consulting, portfolio management, fund administration, fund distribution, investment transactions, or related investment services. The guidance addresses the underlying qualifications and states that if an affiliate of a qualifying business or individual meets the employment location requirements and is involved in qualifying activities, they also may be considered for the lower B&O tax rate. Please contact us with any questions.

**URL:** <https://dor.wa.gov/forms-publications/publications-subject/tax-topics/international-investment-management-services>

**URL:** <https://app.leg.wa.gov/billsummary?BillNumber=6016&Year=2019&Initiative=false>

**URL:** [https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/SpecialNotices/2019/sn\\_19\\_InternationalInvestment.pdf](https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/SpecialNotices/2019/sn_19_InternationalInvestment.pdf)

**URL:** <https://www2.deloitte.com/us/en/pages/tax/articles/washington-updates-requirements-for-investment-management-companies-to-qualify-for-reduced-b-and-o-tax-rate.html?id=us:2em:3na:stm:awa:tax:110824&sfid=701ap000001pff3AAI>

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