

Gross Receipts:

Washington: New Law Distinguishes Payment Card Processors and Provides for Special B&O Tax Rate and Deductions

H.B. 2020, signed by gov. 5/20/25. Effective as of January 1, 2026, due to the “unique nature of payment system arrangements,” new law distinguishes payment card processors from other Washington business and occupation (B&O) taxpayers and provides that certain payment card processors may deduct interchange fees, network fees, and other such fees from their gross receipts tax base, as well as increases their applicable B&O tax rate from 1.5% to 3%. Please contact us with any questions.

URL: <https://app.leg.wa.gov/BillSummary/?BillNumber=2020&Year=2025&Initiative=false>

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