



A S S O C I A T I O N

**NEWS RELEASE**

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**FOR IMMEDIATE RELEASE**

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**Washington Restaurant Association applauds Gov. Gregoire for bringing relief to restaurant operators**

**OLYMPIA, Wash.**—The Washington Restaurant Association is proud to announce that Gov. Christine Gregoire signed SB 5501 into law today, relieving restaurants from the sales and B&O taxes they were previously required to pay on meals given free of charge to employees. The bill was passed nearly unanimously in the House and Senate earlier this session.

The requirement, which had been in place and irregularly enforced for several years, mandated that employers pay sales and B&O taxes on the value of an employee meal when a transaction wasn't actually taking place and businesses weren't collecting any sales revenue.

"We are incredibly grateful the Legislature and the governor recognized that this requirement was problematic for our restaurant operators," said Anthony Anton, WRA president and CEO. "During a time when restaurants have struggled to keep their doors open and have been forced to lay off thousands of employees, this bill provides a much-needed respite for small business owners across Washington state."

According to the WRA, food items frequently given to employees, such as cups of coffee, cookies and sandwiches, were nearly impossible to track, audit and value accurately.

While this bill will soften the tax burden for restaurateurs, it also will provide free meals for more than 191,000 hardworking restaurant employees, many of whom depend financially on this benefit.

The WRA would like to thank bill sponsors Sen. Ed Murray (D-Seattle) and Sen. Mark Schoesler (R-Ritzville), and Rep. Eric Pettigrew (D-Seattle) and Rep. Ed Orcutt (R-Kalama). Furthermore, the WRA is grateful to members Joe Fugere, Tutta Bella Neapolitan Pizzeria; Bret Stewart, Auntie Anne's Pretzels; and Shawn O'Donnell, Shawn O'Donnell's Restaurant, for traveling to Seattle to testify earlier this session during legislative hearings on the bill. Today's success is the result of a collaborative effort, and exemplifies the importance of WRA member involvement.

*The Washington Restaurant Association, in its 82nd year, is the leading business association for the restaurant industry — the largest private employer in the state with an average workforce of 191,000. In Washington, the more than 13,000 restaurants annually generate \$8.8 billion to the state economy.*

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