

Lobbyists and lobbying firms

The terms “lobbyists” and “lobbying firms” are used interchangeably on this page since they are taxed similarly.

Independent lobbyists and lobbying firms are subject to the business and occupation (B&O) tax under the Service and Other Activities classification on their gross income.

B&O tax applies to the “gross proceeds of sales” without any deductions for costs of property sold, costs of materials used, labor costs, delivery costs, expenses paid, or losses.

What income is subject to the B&O tax?

- Amounts reported to the Public Disclosure Commission (PDC) on Form L2 as compensation.

Other gross proceeds of sales such as:

- Legal services.
- Consulting.
- Other professional services.

Lobbyists may qualify for the small business B&O tax credit. See our Small Business B&O Tax Credit page for more information.

Are “expense reimbursements” deductible?

Generally, expense reimbursements are not deductible because a lobbyist has primary or secondary liability to pay for expenses such as airline tickets, lodging, meals, rental car, per diem, fuel, mileage and tolls.

However, reimbursements may be deducted if a lobbyist can demonstrate that they have no primary or secondary liability to pay the reimbursed expenses.

Out of state lobbyists

Out of state lobbyists may still need to register and file returns with Washington state. See our Out of state businesses reporting thresholds and nexus page for more information.

Is lobbying income subject to apportionment?

A lobbyist may qualify to apportion their income between Washington and elsewhere if the benefit of their services is received both inside and outside of Washington. See our Attributing service income page for more information.

How to register?

If you are not already registered but you need to apply for a business license, complete and file a Business License Application online.

Questions?

[Request a tax ruling](#)

References:


[RCW 82.04.070](#)

[WAC 458-20-111](#)

[WAC 458-20-19402](#)



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