

MEMO# 6886

May 1, 1995

WASHINGTON ADOPTS LEGISLATION REDUCING INVESTMENT MANAGER TAXES

* See Institute Memorandum to Tax Committee No. 8-95, dated February 28, 1995. May 1, 1995 TO: TAX COMMITTEE No. 17-95 RE: WASHINGTON ADOPTS LEGISLATION REDUCING INVESTMENT MANAGER TAXES

Washington State has adopted legislation that will substantially reduce the state tax burden on investment management companies located in Washington that provide international investment management services. The legislation, a copy of which is attached, reduces the tax rate on investment managers from 1.7 percent of gross income to 0.275 percent, if at least 10 percent of the manager's gross income is derived from providing investment management services to persons or fund outside the U.S. or to investment funds with at least 10 percent of their investments located outside the U.S. The Institute submitted a statement supporting the legislation.* We will keep you informed of developments. Peter J. Cinquegrani Assistant Counsel - Tax Attachment

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