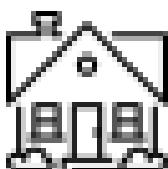




## REAL ESTATE BROKERS

### WHO NEEDS A LICENSE?

- A Real Estate Brokerage office located in Tacoma
- A Real Estate Brokerage office listing a property for sale in Tacoma
- A Real Estate Broker working for/assigned to a brokerage office located in Tacoma (brokers are independent contractors and must obtain their own license)



### TAX LIABILITY

**Brokerage Office:** The measure of tax for a brokerage office includes the gross commission earned by the brokerage office, under the Service and Other Activities business & occupation (B&O) tax classification and apportions the income using the Service & Other Apportionment worksheet. See Tacoma [Tax Rule 128](#) for information on how to report.

**Real Estate Broker:** If a broker's annual gross income (amount reported on IRS form 1099) is over \$250,000, the broker is required to pay B&O tax on the gross income from real estate commissions and fees earned under the Service and Other Activities B&O tax classification and apportions the income using the Service & Other Apportionment worksheet.

**If the brokerage office remits tax on the entire gross commission earned by the brokerage office, including commissions paid to managing brokers and brokers in their office, the broker is not required to file or remit tax on their individual commissions.**



**Finance Department**  
Tax & License Division  
747 Market St, #220  
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Note: This Information Sheet does not substitute for Tacoma codes and regulations. The business owner is responsible for compliance with all Tacoma codes and regulations, whether or not described in this document.