

HOUSE BILL REPORT

HB 2482

As Passed Legislature

Title: An act relating to extending dates by which construction must be commenced, or machinery and equipment must be acquired, in order to qualify as an eligible investment project for tax deferrals for manufacturing, research and development projects.

Brief Description: Extending the qualifying date for tax deferral of certain investment projects.

Sponsors: Representatives Holm, Foreman, Brough, B. Thomas, Forner, Long, Springer, Kessler, Cooke and Wood; by request of Department of Revenue.

Brief History:

Reported by House Committee on:
Revenue, January 28, 1994, DP;
Passed House, February 9, 1994, 95-0;
Passed Legislature.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass. Signed by 16 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Caver; Cothorn; Leonard; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven and Wang.

Staff: Rick Peterson (786-7150).

Background: In 1993, the Legislature extended the application deadline for the tax deferrals for manufacturing, research and development projects from July 1, 1994 to July 1, 1998. However, the Governor vetoed a section of the bill because it also expanded eligibility for deferral to additional projects. As a result of the veto, the date by which projects must start is December 31, 1994, although the application deadline is July 1, 1998.

Summary of Bill: The project initiation deadline is changed from December 31, 1994 to December 31, 1998. This is consistent with the new application deadline of July 1, 1998.

Fiscal Note: Requested January 21, 1994.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Passage of the bill is necessary to allow the program to continue in future years as was intended by the 1993 Legislature when they extended the program's sunset date.

Testimony Against: None.

Witnesses: Ryan Spiller, Department of Revenue.