

SENATE BILL REPORT

SB 5231

AS OF FEBRUARY 8, 1993

Brief Description: Providing incentives for economic development.

SPONSORS: Senators Snyder, Hargrove, Amondson, Owen, Erwin, McCaslin, L. Smith, Jesernig, Prentice, Winsley, Quigley and Roach

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Staff: Jack Brummel (786-7428)

Hearing Dates: February 9, 1993

BACKGROUND:

In 1985, the Legislature authorized the deferral of sales and use taxes for new investments in manufacturing or research and development projects in distressed areas. Separate legislation also authorized such deferrals statewide for manufacturing or research and development projects by firms new to the state. The statewide program was extended in 1987 to include purchase of, or modernization of, aluminum plants.

In 1986, the Legislature authorized a business and occupation tax credit of \$1,000 for each new employee hired by a manufacturing or research and development firm in a distressed area. The credit is allowed only when employment in the firm is at least 15 percent higher than the preceding year.

SUMMARY:

The sunset date of July 1, 1994 is removed from the state's sales and use tax deferral and business and occupation tax credit programs.

Appropriation: none

Revenue: none

Fiscal Note: requested February 5, 1993