
HOUSE BILL 1491

State of Washington

53rd Legislature

1993 Regular Session

By Representatives Wineberry, Scott, G. Cole, Heavey, Wood, R. Johnson, Holm, Leonard, Ludwig, Brough, Jones, Kremen, Roland, Miller, Karahalios, Quall, Ballasiotes, Conway, Foreman, Chandler, Edmondson, Brumsickle, Silver, Locke, Horn, J. Kohl, Johanson, Cothorn, Cooke, Long, Carlson, Valle, Talcott, Lisk, Finkbeiner and Anderson

Read first time 01/29/93. Referred to Committee on Revenue.

1 AN ACT Relating to tax credits for employer-sponsored child care
2 facilities; and adding a new section to chapter 82.04 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
5 to read as follows:

6 (1) In computing tax due under this chapter, a credit against the
7 amount of tax is allowed for thirty percent of the amount paid on or
8 after the effective date of this act for the construction of a child
9 care facility to be used by the taxpayer's employees. The child care
10 facility may, when space is available, provide care for the children of
11 persons not employed by the taxpayer requesting the credit under this
12 section. The credit allowed under this section shall not exceed thirty
13 thousand dollars for any taxpayer in any tax year.

14 (2) For the purposes of this section, "taxpayer" means a taxpayer
15 who employs one hundred or more employees or a consortium of taxpayers
16 who in the aggregate employ one hundred or more employees.

17 (3) To be eligible for the credit allowed under this section, the
18 taxpayer shall submit to the department upon request a statement
19 certifying that the costs for which the credit is claimed are incurred

1 with respect to constructing a child care facility that will be in
2 operation for a least sixty consecutive months. The department may
3 require any other information necessary to evaluate eligibility under
4 this section.

5 (4) If a child care facility is constructed by a consortium of two
6 or more taxpayers, the tax credit authorized in this section shall be
7 allowed to participating taxpayers in proportion to each taxpayer's
8 respective share of the costs paid in constructing the facility.

9 (5) If the credit allowed under this section exceeds the tax
10 imposed by this chapter, that portion of the credit that exceeds the
11 taxes may be carried over to the taxes imposed by this chapter in the
12 next five succeeding tax years. The credit shall be applied first to
13 the earliest income years possible.

14 (6)(a) If the taxpayer ceases using the facility for which a credit
15 is claimed for child care purposes within sixty months of completion,
16 the taxpayer shall pay a tax as calculated in (b) of this subsection,
17 together with interest at the same rate and computed in the same way as
18 that upon delinquent taxes.

19 (b) The tax liability under (a) of this subsection shall equal the
20 amount of the credit that was allowed under this section minus the
21 amount of the credit multiplied by a fraction, the numerator of which
22 represents the number of months the facility was used for child care
23 purposes, and the denominator of which is sixty months.

24 (c) The tax liability under this subsection shall be added to the
25 taxpayer's tax liability for the first reporting period ending not
26 sooner than one year after the month in which the facility ceased being
27 used as a child care facility.

28 (7) This section shall not apply to expenditures for child care
29 facilities that:

30 (a) Are provided out-of-state; or

31 (b) Are not licensed under chapter 74.15 RCW.

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