
HOUSE BILL 2020

State of Washington 53rd Legislature 1993 Regular Session

By Representatives Mastin, Grant and Kessler

Read first time 02/22/93. Referred to Committee on Revenue.

1 AN ACT Relating to tax credits; and amending RCW 82.62.010.

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

3 **Sec. 1.** RCW 82.62.010 and 1988 c 42 s 17 are each amended to read
4 as follows:

5 Unless the context clearly requires otherwise, the definitions in
6 this section apply throughout this chapter.

7 (1) "Applicant" means a person applying for a tax credit under this
8 chapter.

9 (2) "Department" means the department of revenue.

10 (3) "Eligible area" means: (a) A county in which the average level
11 of unemployment for the three years before the year in which an
12 application is filed under this chapter exceeds the average state
13 unemployment for those years by twenty percent; ~~((or))~~ (b) a
14 metropolitan statistical area, as defined by the office of federal
15 statistical policy and standards, United States department of commerce,
16 in which the average level of unemployment for the calendar year
17 immediately preceding the year in which an application is filed under
18 this chapter exceeds the average state unemployment for such calendar
19 year by twenty percent; or (c) a county or portion of a county adjacent

1 to an eligible area as described in (a) or (b) of this subsection, but
2 only for otherwise eligible businesses if at least fifty percent of the
3 employees of that business reside within an eligible area described in
4 (a) or (b) of this subsection. Applications under (~~this subsection~~
5 ~~(3)~~)(b) of this subsection shall be filed by April 30, 1989.

6 (4)(a) "Eligible business project" means manufacturing or research
7 and development activities which are conducted by an applicant in an
8 eligible area at a specific facility: PROVIDED, That the applicant's
9 average full-time qualified employment positions at the specific
10 facility will be at least fifteen percent greater in the year for which
11 the credit is being sought than the applicant's average full-time
12 qualified employment positions at the same facility in the immediately
13 preceding year.

14 (b) "Eligible business project" does not include any portion of a
15 business project undertaken by a light and power business as defined in
16 RCW 82.16.010(5) or that portion of a business project creating
17 qualified full-time employment positions outside an eligible area or
18 those recipients of a sales tax deferral under chapter 82.61 RCW.

19 (5) "Manufacturing" means all activities of a commercial or
20 industrial nature wherein labor or skill is applied, by hand or
21 machinery, to materials so that as a result thereof a new, different,
22 or useful substance or article of tangible personal property is
23 produced for sale or commercial or industrial use and shall include the
24 production or fabrication of specially made or custom made articles.
25 "Manufacturing" also includes computer programming, the production of
26 computer software, and other computer-related services, and the
27 activities performed by research and development laboratories and
28 commercial testing laboratories.

29 (6) "Person" has the meaning given in RCW 82.04.030.

30 (7) "Qualified employment position" means a permanent full-time
31 employee employed in the eligible business project during the entire
32 tax year.

33 (8) "Tax year" means the calendar year in which taxes are due.

34 (9) "Recipient" means a person receiving tax credits under this
35 chapter.

36 (10) "Research and development" means the development, refinement,
37 testing, marketing, and commercialization of a product, service, or
38 process before commercial sales have begun. As used in this
39 subsection, "commercial sales" excludes sales of prototypes or sales

1 for market testing if the total gross receipts from such sales of the
2 product, service, or process do not exceed one million dollars.

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