
SUBSTITUTE HOUSE BILL 2342

State of Washington

55th Legislature

1998 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven, McDonald, Regala, Talcott, Huff, Conway, Lantz, Fisher, Gardner, Anderson, Lambert and Boldt)

Read first time 01/22/98. Referred to Committee on .

1 AN ACT Relating to international services; adding a new section to
2 chapter 82.04 RCW; adding a new section to chapter 48.14 RCW; and
3 providing an effective date.

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

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

7 (1) There may be credited against the tax imposed by this chapter,
8 an amount equal to five percent of the qualified payroll, by a business
9 that is:

10 (a) Located within a designated community empowerment zone; and

11 (b) Engaged in the business of providing selected international
12 services.

13 (2) In order to claim the tax credit under this section the
14 business must:

15 (a) Expend an amount, averaged over the most recent five-year
16 period, equal or greater than twenty percent of the tax credit on
17 training of empowerment zone employees;

18 (b) Provide internship positions in conjunction with a targeted
19 program of study offered by a local institution of higher education or

1 vocational-technical school designed to provide experience relevant to
2 the activities of the business;

3 (c) Provide summer employment opportunities in conjunction with the
4 local high schools, that is targeted to high school aged youth that
5 reside within the community empowerment zone, and that is designed to
6 provide experience relevant to the activities of the business; and

7 (d) Hire, over the most recent five-year period, at least twenty
8 percent of the total employees located within the designated community
9 empowerment zone from applicants who reside, at the time of
10 application, in the designated community empowerment zone.

11 (3) A business may not use the tax credit to relocate existing jobs
12 in a community in the state to the designated community empowerment
13 zone.

14 (4) The annual credit allowed under this section shall be limited
15 to the amount of tax imposed by this chapter.

16 (5) As used in this section and section 2 of this act:

17 (a) "Designated community empowerment zone" means a geographic area
18 approved under RCW 43.63A.700;

19 (b) "Selected international services" means a business that:

20 (i) Provides any of the following services related directly to the
21 delivery of the service outside the United States or on behalf of
22 persons residing outside the United States: Computer; data processing;
23 information; legal; accounting; tax preparation; design; engineering;
24 architectural; business consulting; business management; public
25 relations and advertising; surveying; geological consulting; real
26 estate appraisal; and financial; and

27 (ii) Is subject to taxation under RCW 82.04.290(2); and

28 (c) "Qualified payroll" means the gross wages and benefits paid or
29 accrued, with respect to each employee of the business that is directly
30 involved in providing selected international services and was hired
31 after the effective date of this act, during the first five years of
32 such employee's employment within a designated community empowerment
33 zone.

34 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.14 RCW
35 to read as follows:

36 (1) There may be credited against the tax imposed under RCW
37 48.14.020, an amount equal to five percent of the qualified payroll, by
38 a business that is:

1 (a) Located within a designated community empowerment zone; and
2 (b) Engaged in the business of providing selected international
3 services.

4 (2) In order to claim the tax credit under this section the
5 business must:

6 (a) Expend an amount, averaged over the most recent five-year
7 period, equal or greater than twenty percent of the tax credit on
8 training of empowerment zone employees;

9 (b) Provide internship positions in conjunction with a targeted
10 program of study offered by a local institution of higher education or
11 vocational-technical school designed to provide experience relevant to
12 the activities of the business;

13 (c) Provide summer employment opportunities in conjunction with the
14 local high schools, that is targeted to high school aged youth that
15 reside within the community empowerment zone, and that is designed to
16 provide experience relevant to the activities of the business; and

17 (d) Hire, over the most recent five-year period, at least twenty
18 percent of the total employees located within the designated community
19 empowerment zone from applicants who reside, at the time of
20 application, in the designated community empowerment zone.

21 (3) A business may not use the tax credit to relocate existing jobs
22 in a community in the state to the designated community empowerment
23 zone.

24 (4) The annual credit allowed under this section shall be limited
25 to the amount of tax imposed by this chapter.

26 (5) As used in this section:

27 (a) "Designated community empowerment zone" has the same meaning as
28 in section 1 of this act;

29 (b) "Selected international services" has the same meaning as in
30 section 1 of this act; and

31 (c) "Qualified payroll" has the same meaning as in section 1 of
32 this act.

33 NEW SECTION. **Sec. 3.** This act takes effect July 1, 1998.

--- END ---