
HOUSE BILL 2448

State of Washington

55th Legislature

1998 Regular Session

By Representatives Kessler, Morris, Hatfield, Quall, Anderson, Doumit, Linville, Gardner, Dunshee and Grant

Read first time . Referred to Committee on .

1 AN ACT Relating to tax credits for businesses doing new hiring in
2 distressed rural communities; and adding a new chapter to Title 82 RCW.

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

4 NEW SECTION. **Sec. 1.** The legislature intends to provide business
5 and tax credits to businesses that permanently hire current residents
6 of distressed counties. The credit is to equal the first year's wages
7 of the new hire, not to exceed the total business and occupation tax
8 liability of the business in the following year.

9 NEW SECTION. **Sec. 2.** The definitions in this section apply
10 throughout this chapter unless the context clearly requires otherwise.

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

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

14 (3) "Eligible area" means an eligible area as defined in RCW
15 82.62.010.

16 (4) "Person" has the meaning given in RCW 82.04.030.

17 (5) "Qualified employment position" means a new permanent full-time
18 employee employed by the recipient at a minimum wage of at least eight

1 dollars per hour during the entire year prior to the tax year. The
2 employee must have been a resident of the county in which the
3 employment occurs prior to employment. The employment position must be
4 a new position which adds to the total employment level of the
5 recipient and may not be the result of a prior staff reduction,
6 retirement, dismissal, or personnel turnover.

7 (6) "Tax year" means the calendar year in which taxes are due.

8 (7) "Recipient" means a person receiving tax credits under this
9 chapter.

10 NEW SECTION. **Sec. 3.** Application for tax credits under this
11 chapter must be made before the actual hiring of qualified employment
12 positions. The application shall be made to the department in a form
13 and manner prescribed by the department. The application shall contain
14 information regarding the location of the employee, the residency of
15 the employee, the applicant's average employment, if any, at the
16 facility for the prior year, estimated or actual wages of employees
17 related to the position, and other information required by the
18 department. The department shall rule on the application within sixty
19 days.

20 NEW SECTION. **Sec. 4.** (1) A person shall be allowed a credit
21 against the tax due under chapter 82.04 RCW as provided in this
22 section. The credit shall equal the wages paid for each qualified
23 employment position in the prior year. The amount of credit that may
24 be taken in the tax year is the lesser of the wages paid for the
25 qualified employment position or the recipients total tax liability.
26 Credits must be taken in the tax year and may not be carried over to
27 future years.

28 (2) No recipient may use the tax credits to decertify a union or to
29 displace existing jobs in any community in the state.

30 (3) No recipient may receive a tax credit on taxes which have not
31 been paid during the taxable year.

32 NEW SECTION. **Sec. 5.** (1) Each recipient shall submit a report to
33 the department on December 31st of each year. The report shall contain
34 information, as required by the department, from which the department
35 may determine whether the recipient is meeting the requirements of this
36 chapter. If the recipient fails to submit a report or submits an

1 inadequate report, the department may declare the amount of taxes for
2 which a credit has been used to be immediately assessed and payable.

3 (2) If, on the basis of a report under this section or other
4 information, the department finds that a recipient is not eligible for
5 tax credit under this chapter for reasons other than failure to create
6 a qualified employment position, the amount of taxes for which a credit
7 has been used for the project shall be immediately due.

8 (3) If, on the basis of a report under this section or other
9 information, the department finds that a recipient has failed to create
10 the qualified employment position, the department shall assess
11 interest, but not penalties, on the credited taxes for which a credit
12 has been used. The interest shall be assessed at the rate provided for
13 delinquent excise taxes, shall be assessed retroactively to the date of
14 the tax credit, and shall accrue until the taxes for which a credit has
15 been used are repaid.

16 NEW SECTION. **Sec. 6.** The employment security department shall
17 make, and certify to the department of revenue, all determinations of
18 employment and wages required under this chapter.

19 NEW SECTION. **Sec. 7.** Applications, reports, and any other
20 information received by the department under this chapter are not
21 confidential and are subject to disclosure.

22 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act constitute
23 a new chapter in Title 82 RCW.

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