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HOUSE BILL 2450

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State of Washington

55th Legislature

1998 Regular Session

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

Read first time . Referred to Committee on .

1 AN ACT Relating to providing tax incentives to encourage job  
2 training for newly hired production employees in distressed areas;  
3 adding a new section to chapter 82.04 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
6 provide a tax incentive program to encourage the hiring of dislocated  
7 workers in distressed areas by allowing employers in distressed areas  
8 to take business and occupation tax credits for expenses related to  
9 providing job training for newly hired production employees in  
10 distressed areas.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW  
12 to read as follows:

13 (1) There may be credited against the tax imposed by this chapter,  
14 the value of state-approved, employer-provided or sponsored job  
15 training services designed to enhance the job-related performance of  
16 newly hired production employees, for businesses located in eligible  
17 areas as defined in RCW 82.62.010.

1 (2) The value of the state-approved, job training services provided  
2 by the employer to the employee, without charge, shall be determined by  
3 the allocation of the cost method using generally accepted accounting  
4 standards.

5 (3) The credit allowed under this section shall be limited to an  
6 amount equal to the value of the state-approved, job training services  
7 determined under subsection (2) of this section. The credit may be  
8 taken in the tax year following the provision of the job training  
9 services.

10 (4) Prior to claiming the credit under this section, the business  
11 must obtain approval of the proposed job training service from the  
12 employment security department. The employer's request for approval  
13 must include a description of the proposed job training service, how  
14 the job training will enhance the employee's performance, and the cost  
15 of the proposed job training.

16 (5) The employee being trained for which a training tax credit is  
17 taken must remain on the payroll of the employer a minimum of twelve  
18 months after the training. The employee must have been a resident of  
19 the county in which the employer is located and not been employed at  
20 the time of beginning employment with business.

21 (6) This section only applies to training in respect to eligible  
22 business projects for which an application is approved on or after June  
23 30, 1998.

24 (7) "Production employees" as used in this section refers to  
25 nonmanagerial employees earning, or to earn as a result of the  
26 training, a minimum of eight dollars per hour.

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