
HOUSE BILL 2851

State of Washington

55th Legislature

1998 Regular Session

By Representatives Van Luven, Morris, Dunn, Kessler, DeBolt, Linville, Doumit, Hatfield, Eickmeyer, O'Brien, Chandler, Dunshee, Cody, Kenney, Costa, Constantine, Ogden, Regala, Cooper, Gardner, Chopp, Quall, Anderson, Dickerson, Thompson, Lantz and Conway

Read first time 01/21/98. Referred to Committee on Finance.

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 tax incentives to encourage the hiring of dislocated workers in
7 distressed areas by allowing employers in distressed areas to take
8 business and occupation tax credits for expenses related to providing
9 job training for newly hired production employees in distressed areas.

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

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

17 (2) The value of the state-approved, job training services provided
18 by the employer to the employee, without charge, shall be determined by

1 the allocation of the cost method using generally accepted accounting
2 standards.

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

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

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

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

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

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