
SUBSTITUTE SENATE BILL 5424

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators West, Wojahn, Winsley, Hale, Franklin, Jacobsen and Rasmussen)

Read first time 04/07/97.

1 AN ACT Relating to international services; adding a new section to
2 chapter 82.04 RCW; and adding a new section to chapter 48.14 RCW.

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

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

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

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

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

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

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

17 (b) Provide internship positions in conjunction with a targeted
18 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; and

3 (c) Hire, over the most recent five-year period, at least twenty
4 percent of the total employees located within the designated community
5 empowerment zone from applicants who reside, at the time of
6 application, in the designated community empowerment zone.

7 (3) A business may not use the tax credit to relocate existing jobs
8 in a community in the state to the designated community empowerment
9 zone.

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

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

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

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

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

23 (ii) Is subject to taxation under RCW 82.04.290 (1) or (2); and

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

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

32 (1) There may be credited against the tax imposed under RCW
33 48.14.020, an amount equal to five percent of the qualified payroll, by
34 a business that is:

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

36 (b) Engaged in the business of providing selected international
37 services.

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

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

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

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

14 (3) A business may not use the tax credit to relocate existing jobs
15 in a community in the state to the designated community empowerment
16 zone.

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

19 (5) As used in this section:

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

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

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

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