
HOUSE BILL 1825

State of Washington

56th Legislature

1999 Regular Session

By Representatives McIntire, Conway, Dunshee, Reardon, Tokuda, Keiser, Gombosky, Hurst, Wood, Kenney and Ogden

Read first time 02/08/1999. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to earned income training credits; adding new
2 sections to chapter 50.12 RCW; adding a new section to chapter 82.04
3 RCW; and providing an expiration 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 50.12 RCW
6 to read as follows:

7 (1) The employment security department shall administer an earned
8 income training credit program for persons either receiving an earned
9 income tax credit from the federal government for the prior year or who
10 are dislocated workers.

11 (a) The earned income training credit for persons receiving an
12 earned income tax credit shall be for an amount equal to fifty percent
13 of the earned income tax credit received, with a maximum of three
14 thousand dollars. If training credits are not used by the person, then
15 additional credits may be accumulated up to the maximum.

16 (b) A dislocated worker, as defined in RCW 50.04.075, is qualified
17 to receive an earned income training credit in the amount of three
18 hundred seventy-five dollars per quarter of full-time employment during
19 the eight quarters before becoming a dislocated worker.

1 (2)(a) Credits under this section may be accumulated over time.
2 Credits must be used within five years from the year in which they are
3 received.

4 (b) Recipients must have a minimum of one thousand dollars in
5 credits before the credits may be redeemed.

6 (c) Credits are not transferable.

7 (3) Earned income training credits may be used for:

8 (a) Tuition at an institution of higher education as defined in RCW
9 28B.10.016, subject to available funding; or

10 (b) Employee training, either with a current or prospective
11 employer.

12 (4) If training is provided under subsection (3)(b) of this
13 section, there shall be a contract between the employer or prospective
14 employer, the employee, and the employment security department. The
15 employment security department shall adopt rules setting standards for
16 defining the training, employment, and wage assumptions.

17 (5) An employer who accepts the credit on behalf of an employee or
18 prospective employee for training may use the credit as a credit
19 against taxes under chapter 82.04 RCW in accordance with section 2 of
20 this act.

21 (6) Credits shall be available beginning January 1, 2000, for
22 earned income tax credits received for federal income taxes filed for
23 the 1999 tax year.

24 (7) Only persons who would qualify as resident students under RCW
25 28B.15.012 are eligible for the earned income training credit program.

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

28 (1) There may be credited against the tax imposed by this chapter,
29 the value of state-approved, employer-provided or sponsored job
30 training services designed to enhance the job-related performance of
31 employees. This credit is allowed up to the value of the earned income
32 tax credits accepted on behalf of employees as provided in section 1(5)
33 of this act.

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

1 (3) The department shall keep a running total of all credits
2 granted during each calendar year, and shall disallow any credits that
3 would cause the tabulation for any calendar year to exceed two million
4 dollars.

5 (4) The credit allowed under this section may not exceed the cost
6 to the employer of providing or sponsoring job training services
7 determined under subsection (2) of this section.

8 (5) The department shall adopt rules and forms for the
9 administration of this section.

10 NEW SECTION. **Sec. 3.** A new section is added to chapter 50.12 RCW
11 to read as follows:

12 The earned income training credit reimbursement account is created
13 in the custody of the state treasurer. Expenditures from the account
14 may be used only for reimbursement to institutions of higher education
15 for earned income training credits accepted by institutions of higher
16 education. Only the commissioner of the employment security department
17 or the commissioner's designee may authorize expenditures from the
18 account. The account is subject to allotment procedures under chapter
19 43.88 RCW, but an appropriation is not required for expenditures.

20 NEW SECTION. **Sec. 4.** A new section is added to chapter 50.12 RCW
21 to read as follows:

22 The employment security department shall report on the impact of
23 sections 1 and 2 of this act to the appropriate committees of the
24 legislature by December 1st of even-numbered years, including:

- 25 (1) The number of people receiving training;
26 (2) The cost of the training;
27 (3) The cost of program administration;
28 (4) For those persons whose credits were used for training at
29 institutions of higher education:
30 (a) Their employment status; and
31 (b) The number of workers receiving tuition benefits by institution
32 and general area of study;
33 (5) For those persons using the credit for employee training under
34 section 1(3)(b) of this act, a report on:
35 (a) Their job and wage progression; and
36 (b) The number of workers receiving training by industry, size of
37 firm, and occupation.

1 NEW SECTION. **Sec. 5.** This act expires June 30, 2009.

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