HOUSE BILL 2615

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State of Washington   **56th Legislature**   **2000 Regular Session**

By Representatives B. Chandler, Lisk and Clements

Read first time . Referred to Committee on .

1   AN ACT Relating to the exercise of stock options; adding a new
2 section to chapter 50.04 RCW; creating a new section; and declaring an
3 emergency.

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

5   NEW SECTION. **Sec. 1.** A new section is added to chapter 50.04 RCW
6 to read as follows:

7   For the purpose of paying contributions in tax rate years beginning
8 on or after January 1, 2000, and for the purpose of paying benefits to
9 claimants with base years beginning on or after January 1, 2000, the
10 term "wages" does not include an employee's income from the transfer of
11 shares of stock to the employee pursuant to his or her exercise of a
12 stock option granted for any reason connected with his or her
13 employment in a disqualifying disposition under section 421 of the
14 federal internal revenue code.

15   NEW SECTION. **Sec. 2.** If any part of this act is found to be in
16 conflict with federal requirements that are a prescribed condition to
17 the allocation of federal funds to the state or the eligibility of
18 employers in this state for federal unemployment tax credits, the

1 conflicting part of this act is inoperative solely to the extent of the
2 conflict, and the finding or determination does not affect the
3 operation of the remainder of this act. Rules adopted under this act
4 must meet federal requirements that are a necessary condition to the
5 receipt of federal funds by the state or the granting of federal
6 unemployment tax credits to employers in this state.

7   NEW SECTION. **Sec. 3.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and takes effect
10 immediately.

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