
SENATE BILL 6539

State of Washington

56th Legislature

2000 Regular Session

By Senators Brown, Winsley, B. Sheldon, Kohl-Welles, Fairley, Hargrove, Wojahn and Jacobsen

Read first time . Referred to Committee on .

1 AN ACT Relating to earned income training credits; and adding new
2 sections to chapter 28B.50 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 28B.50 RCW
5 to read as follows:

6 (1) The college board shall establish and administer an earned
7 income training credit program as provided in this section for persons
8 receiving an earned income tax credit under the federal internal
9 revenue code. Persons receiving an earned income tax credit shall
10 receive earned income training credits in an amount equal to fifty
11 percent of the earned income tax credit received in a year, up to three
12 thousand dollars. If the recipient of training credits does not use
13 the credits in the year the credits are received, then credits may be
14 accumulated over time up to three thousand dollars.

15 (2)(a) Earned income training credits must be used within five
16 years from the year in which the credits are received. A recipient
17 must have a minimum of one thousand dollars in credits before the
18 credits may be used, and may not use more than three thousand dollars
19 in credits in a lifetime.

1 (b) Earned income training credits are not transferable.

2 (3) Earned income training credits may be used, subject to
3 available funding:

4 (a) For tuition at an institution of higher education as defined in
5 RCW 28B.10.016; or

6 (b)(i) To reimburse a current or prospective employer who redeems
7 the credits from the recipient and agrees to provide training for the
8 recipient under a training contract entered into by the employer, or
9 prospective employer, the employee, and the college board. The
10 training contract must meet the college board's standards for training
11 and must establish the value of the training. The employer
12 participating under a contract to train a recipient who is an employee
13 or prospective employee may be reimbursed for the on-the-job training
14 provided under the contract in an amount not exceeding the value of the
15 training as established by the contract or the earned income training
16 credits redeemed by the employer, whichever is less.

17 (ii) The college board shall adopt rules setting standards for
18 defining the training, employment, and wage assumptions, and for
19 establishing the value of the training under a training contract for
20 employer reimbursement purposes.

21 (4) Earned income training credits shall be available beginning
22 January 1, 2001, for earned income tax credits received for federal
23 income taxes filed for the 2000 tax year.

24 (5) Subject to available funding, if a recipient of training
25 provided under subsection (3)(a) of this section is enrolled in a
26 program of study at least half time, the recipient is eligible, as
27 provided under rules adopted by the college board, for:

28 (a) State subsidized child care; and

29 (b) A financial aid state supplement of up to the difference
30 between (i) the maximum amount of financial aid, from all sources, for
31 which the student would be eligible based on the state's calculation of
32 need and (ii) the amount of total financial aid awarded for the
33 academic year to the student from a federal Pell grant, state need
34 grant, and work study.

35 (6) Only persons who would qualify as resident students under RCW
36 28B.15.012 are eligible for the earned income training credit program.

37 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.50 RCW
38 to read as follows:

1 The college board shall, with the cooperation of the employment
2 security department, report on the impact of section 1 of this act to
3 the work force training and education coordinating board, or a
4 successor board, and the appropriate committees of the legislature by
5 December 1st of even-numbered years, beginning in 2002. The report
6 must include:

7 (1) The number of people receiving training;

8 (2) The cost of the training;

9 (3) The cost of program administration;

10 (4) For those persons whose credits were used for training at
11 institutions of higher education under section 1(3)(a) of this act:

12 (a) Their employment status; and

13 (b) The number of workers receiving tuition benefits by institution
14 and general area of study; and

15 (c) Training outcomes, including indices of placement rates,
16 student demographics, training plan completion rates, and comparisons
17 of preprogram and postprogram wage levels; and

18 (5) For those persons using the credit for employee training under
19 section 1(3)(b) of this act, a report on:

20 (a) Their job and wage progression; and

21 (b) The number of workers receiving training by industry, size of
22 firm, and occupation.

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