
HOUSE BILL 1526

State of Washington

57th Legislature

2001 Regular Session

By Representatives Marine, Reardon, Clements, Cairnes, Edmonds, Conway, Miloscia, O'Brien, Cody, Dunshee, Lambert, Campbell, Simpson, Santos, Darneille, Kagi, D. Schmidt, Dunn, Edwards and Van Luven; by request of Lieutenant Governor

Read first time 01/29/2001. Referred to Committee on Finance.

1 AN ACT Relating to tax credits for the employment of persons with
2 disabilities; adding a new section to chapter 82.04 RCW; creating a new
3 section; providing an effective date; and declaring an 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 82.04 RCW
6 to read as follows:

7 (1) Subject to the limits and provisions of this section, a credit
8 is authorized against the tax otherwise due under this chapter for the
9 employment of eligible persons by persons engaged in activities taxed
10 under this chapter.

11 (2)(a) Effective July 1, 2001, an annual tax credit of up to one
12 thousand dollars may be claimed for a maximum of two tax years for each
13 eligible person employed.

14 (b)(i) The tax credit for an eligible person who has been employed
15 for one thousand five hundred hours or more during the tax year is one
16 thousand dollars;

17 (ii) The tax credit for an eligible person employed for one
18 thousand hours or more but less than one thousand five hundred hours
19 during the tax year is seven hundred fifty dollars;

1 (iii) The tax credit for an eligible person employed for five
2 hundred hours or more but less than one thousand hours during the tax
3 year is five hundred dollars; and

4 (iv) The tax credit for an eligible person employed for one hundred
5 hours or more but less than five hundred hours during the tax year is
6 two hundred fifty dollars.

7 (c) Credit may be accrued and carried over until it is used. No
8 refunds may be granted for credits under this section.

9 (3) For the purposes of this section:

10 (a) "Eligible person" means a person with a significant disability
11 as determined by the division of vocational rehabilitation or the
12 department of services for the blind.

13 (b) "Significant disability" means a severe physical or mental
14 impairment that seriously limits one or more functional capacities such
15 as, but not limited to, mobility, communication, self-care, self-
16 direction, interpersonal skills, work tolerance, or work skills, in
17 terms of an employment outcome, as determined by the division of
18 vocational rehabilitation or the department of services for the blind.

19 (4) The department of services for the blind or the division of
20 vocational rehabilitation shall provide determination of significant
21 disability for purposes of the tax credit. An individual who is not a
22 client or former client of the department of services for the blind or
23 the division of vocational rehabilitation may request and receive
24 determination of significant disability for purposes of the tax credit
25 without applying to become a client or requesting any additional
26 services.

27 (5) An employer becomes eligible to claim the tax credit by
28 employing an individual who has been determined to have a significant
29 disability by the department of services for the blind or by the
30 division of vocational rehabilitation, when the individual's earnings
31 from the employment are in compliance with all state and federal
32 requirements.

33 (6) No application is necessary for the tax credit. The person
34 must keep records necessary for the department to verify eligibility
35 under this section. This information includes:

36 (a) Employment records for the previous three years;

37 (b) Information verifying that the employee is an eligible person
38 as defined in subsection (3) of this section; and

1 (c) Documentation of the employment position filled and hours
2 worked by the eligible person.

3 (7) If at any time the department finds that a person is not
4 eligible for tax credit under this section, the amount of taxes for
5 which a credit has been used shall be immediately due. The department
6 shall assess interest, but not penalties, on the credited taxes for
7 which the person is not eligible. The interest shall be assessed at
8 the rate provided for delinquent excise taxes under chapter 82.32 RCW,
9 shall be assessed retroactively to the date the tax credit was taken,
10 and shall accrue until the taxes for which a credit has been used are
11 repaid.

12 NEW SECTION. **Sec. 2.** This act shall be known and cited as the
13 JosÀ "Pepe" Lladrç act.

14 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and takes effect
17 July 1, 2001.

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