

HB 2644 - S AMD

By Senators Poulsen, Prentice

ADOPTED 03/07/2006

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 82.16.0497 and 2001 c 214 s 13 are each amended to
4 read as follows:

5 (1) Unless the context clearly requires otherwise, the definitions
6 in this subsection apply throughout this section.

7 (a) "Base credit" means the maximum amount of credit against the
8 tax imposed by this chapter that each light and power business or gas
9 distribution business may take each fiscal year as calculated by the
10 department. The base credit is equal to the proportionate share that
11 the total grants received by each light and power business or gas
12 distribution business in the prior fiscal year bears to the total
13 grants received by all light and power businesses and gas distribution
14 businesses in the prior fiscal year multiplied by five million five
15 hundred thousand dollars for fiscal year 2007, and two million five
16 hundred thousand dollars for all other fiscal years before and after
17 fiscal year 2007.

18 (b) "Billing discount" means a reduction in the amount charged for
19 providing service to qualifying persons in Washington made by a light
20 and power business or a gas distribution business. Billing discount
21 does not include grants received by the light and power business or a
22 gas distribution business.

23 (c) "Grant" means funds provided to a light and power business or
24 gas distribution business by the department of community, trade, and
25 economic development or by a qualifying organization.

26 (d) "Low-income home energy assistance program" means energy
27 assistance programs for low-income households as defined on December
28 31, 2000, in the low-income home energy assistance act of 1981 as
29 amended August 1, 1999, 42 U.S.C. Sec. 8623 et seq.

1 (e) "Qualifying person" means a Washington resident who applies for
2 assistance and qualifies for a grant regardless of whether that person
3 receives a grant.

4 (f) "Qualifying contribution" means money given by a light and
5 power business or a gas distribution business to a qualifying
6 organization, exclusive of money received in the prior fiscal year from
7 its customers for the purpose of assisting other customers.

8 (g) "Qualifying organization" means an entity that has a
9 contractual agreement with the department of community, trade, and
10 economic development to administer in a specified service area low-
11 income home energy assistance funds received from the federal
12 government and such other funds that may be received by the entity.

13 (2) Subject to the limitations in this section, a light and power
14 business or a gas distribution business may take a credit each fiscal
15 year against the tax imposed under this chapter.

16 (a)(i) A credit may be taken for qualifying contributions if the
17 dollar amount of qualifying contributions for the fiscal year in which
18 the tax credit is taken is greater than one hundred twenty-five percent
19 of the dollar amount of qualifying contributions given in fiscal year
20 2000.

21 (ii) If no qualifying contributions were given in fiscal year 2000,
22 a credit shall be allowed for the first fiscal year that qualifying
23 contributions are given. Thereafter, credit shall be allowed if the
24 qualifying contributions given exceed one hundred twenty-five percent
25 of qualifying contributions given in the first fiscal year.

26 (iii) The amount of credit shall be fifty percent of the dollar
27 amount of qualifying contributions given in the fiscal year in which
28 the tax credit is taken.

29 (b)(i) A credit may be taken for billing discounts if the dollar
30 amount of billing discounts for the fiscal year in which the tax credit
31 is taken is greater than one hundred twenty-five percent of the dollar
32 amount of billing discounts given in fiscal year 2000.

33 (ii) If no billing discounts were given in fiscal year 2000, a
34 credit shall be allowed in the first fiscal year that billing discounts
35 are given. Thereafter, credit shall be allowed if the dollar amount of
36 billing discounts given exceeds one hundred twenty-five percent of
37 billing discounts given in the first fiscal year.

1 (iii) The amount of credit shall be fifty percent of the dollar
2 amount of the billing discounts given in the fiscal year in which the
3 tax credit is taken.

4 (c) The total amount of credit that may be taken for qualifying
5 contributions and billing discounts in a fiscal year is limited to the
6 base credit for the same fiscal year.

7 (3)(a)(i) Except as provided in (a)(ii) of this subsection, the
8 total amount of credit, statewide, that may be taken in any fiscal year
9 shall not exceed two million five hundred thousand dollars.

10 (ii) The total amount of credit, statewide, that may be taken in
11 fiscal year 2007 shall not exceed five million five hundred thousand
12 dollars.

13 (b) By May 1st of each year starting in 2002, the department of
14 community, trade, and economic development shall notify the department
15 of revenue in writing of the grants received in the current fiscal year
16 by each light and power business and gas distribution business.

17 (4)(a) Not later than June 1st of each year beginning in 2002, the
18 department shall publish the base credit for each light and power
19 business and gas distribution business for the next fiscal year.

20 (b) Not later than July 1st of each year beginning in 2002,
21 application for credit must be made to the department including but not
22 limited to the following information: Billing discounts given by the
23 applicant in fiscal year 2000; qualifying contributions given by the
24 applicant in the prior fiscal year; the amount of money received in the
25 prior fiscal year from customers for the purpose of assisting other
26 customers; the base credit for the next fiscal year for the applicant;
27 the qualifying contributions anticipated to be given in the next fiscal
28 year; and billing discounts anticipated to be given in the next fiscal
29 year. No credit under this section will be allowed to a light and
30 power business or gas distribution business that does not file the
31 application by July 1st.

32 (c) Not later than August 1st of each year beginning in 2002, the
33 department shall notify each applicant of the amount of credit that may
34 be taken in that fiscal year.

35 (d) The balance of base credits not used by other light and power
36 businesses and gas distribution businesses shall be ratably distributed
37 to applicants under the formula in subsection (1)(a) of this section.

1 The total amount of credit that may be taken by an applicant is the
2 base credit plus any ratable portion of unused base credit.

3 (5) The credit taken under this section is limited to the amount of
4 tax imposed under this chapter for the fiscal year. The credit must be
5 claimed in the fiscal year in which the billing reduction is made. Any
6 unused credit expires. Refunds shall not be given in place of credits.

7 (6) No credit may be taken for billing discounts made before July
8 1, 2001. Within two weeks of May 8, 2001, the department of community,
9 trade, and economic development shall notify the department of revenue
10 in writing of the grants received in fiscal year 2001 by each light and
11 power business and gas distribution business. Within four weeks of May
12 8, 2001, the department of revenue shall publish the base credit for
13 each light and power business and gas distribution business for fiscal
14 year 2002. Within eight weeks of May 8, 2001, application to the
15 department must be made showing the information required in subsection
16 (4)(b) of this section. Within twelve weeks of May 8, 2001, the
17 department shall notify each applicant of the amount of credit that may
18 be taken in fiscal year 2002.

19 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2006."

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20 On page 1, line 2 of the title, after "RCW 82.16.0497;" strike the
21 remainder of the title and insert "amending RCW 82.16.0497; and
22 providing an effective date."

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