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HOUSE BILL 3051

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State of Washington

59th Legislature

2006 Regular Session

By Representatives Kristiansen, Linville, Dunn, P. Sullivan, Strow, Chase, Morrell, Ericks, Sells, Rodne, Kilmer, B. Sullivan, Newhouse and Springer

Read first time 01/18/2006. Referred to Committee on Economic Development, Agriculture & Trade.

1 AN ACT Relating to tax incentives to promote statewide job  
2 creation; and amending RCW 82.62.010.

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

4 **Sec. 1.** RCW 82.62.010 and 2001 c 320 s 12 are each amended to read  
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in  
7 this section apply throughout this chapter.

8 (1) "Applicant" means a person applying for a tax credit under this  
9 chapter.

10 (2) "Department" means the department of revenue.

11 (3) "Eligible area" means an area (~~as defined in RCW 82.60.020~~)

12 in:

13 (a) A rural county as defined in RCW 82.14.370; or

14 (b) Any other county so long as the area is not located in a city  
15 with a population greater than thirty thousand.

16 (4)(a) "Eligible business project" means manufacturing or research  
17 and development activities which are conducted by an applicant in an  
18 eligible area at a specific facility, provided the applicant's average  
19 full-time qualified employment positions at the specific facility will

1 be at least fifteen percent greater in the year for which the credit is  
2 being sought than the applicant's average full-time qualified  
3 employment positions at the same facility in the immediately preceding  
4 year.

5 (b) "Eligible business project" does not include any portion of a  
6 business project undertaken by a light and power business as defined in  
7 RCW 82.16.010(5) or that portion of a business project creating  
8 qualified full-time employment positions outside an eligible area.

9 (5) "Manufacturing" means the same as defined in RCW 82.04.120.  
10 "Manufacturing" also includes computer programming, the production of  
11 computer software, and other computer-related services, and the  
12 activities performed by research and development laboratories and  
13 commercial testing laboratories.

14 (6) "Person" has the meaning given in RCW 82.04.030.

15 (7) "Qualified employment position" means a permanent full-time  
16 employee employed in the eligible business project during the entire  
17 tax year.

18 (8) "Tax year" means the calendar year in which taxes are due.

19 (9) "Recipient" means a person receiving tax credits under this  
20 chapter.

21 (10) "Research and development" means the development, refinement,  
22 testing, marketing, and commercialization of a product, service, or  
23 process before commercial sales have begun. As used in this  
24 subsection, "commercial sales" excludes sales of prototypes or sales  
25 for market testing if the total gross receipts from such sales of the  
26 product, service, or process do not exceed one million dollars.

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