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SENATE BILL 6293

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State of Washington

59th Legislature

2006 Regular Session

By Senators Pflug, Benton, Shin, Schoesler, Benson, Schmidt, Delvin, Mulliken, Johnson, Stevens, Honeyford, Parlette and Roach

Read first time 01/10/2006. Referred to Committee on International Trade & Economic Development.

1 AN ACT Relating to tax credits for employers employing student  
2 employees enrolled in qualified technical programs at Washington  
3 institutions of higher education; adding a new section to chapter 82.04  
4 RCW; and adding a new section to chapter 82.16 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8 (1) Subject to the limits in this section, a credit is authorized  
9 against the tax otherwise due under this chapter for persons that  
10 employ one or more students enrolled in a qualified technical program  
11 at an institution of higher education.

12 (2) To qualify for the credit, the following additional conditions  
13 must be met:

14 (a) The student employee must be a junior, senior, or graduate  
15 student, in the qualified technical program.

16 (b) The qualified technical program must be a program that provides  
17 academic training that relates to the person's business employment  
18 needs.

1 (c) The student employee must be receiving educational credit by  
2 the institution of higher education for the employment.

3 (3) The amount of authorized tax credit for persons receiving  
4 credit under this section shall be equal to one hundred percent of the  
5 gross wages paid to the student employee.

6 (4) No application is necessary for the tax credit. The person  
7 must keep records necessary for the department to verify eligibility  
8 under this section, including enrollment documentation that clearly  
9 indicates that the student is enrolled as a junior, senior, or graduate  
10 student in a qualified technical program at an institution of higher  
11 education and is receiving educational credit by the institution for  
12 the employment.

13 (5) If at any time the department finds that a person is not  
14 eligible for tax credit under this section, the amount of taxes for  
15 which a credit has been used is immediately due. The department shall  
16 assess interest, but not penalties, on the credited taxes for which the  
17 person is not eligible. The interest shall be assessed at the rate  
18 provided for delinquent excise taxes under chapter 82.32 RCW, shall be  
19 assessed retroactively to the date the tax credit was taken, and shall  
20 accrue until the taxes for which a credit has been used are repaid.

21 (6) The credit under this section may be used against any tax due  
22 under this chapter, and credit earned during one calendar year may be  
23 carried over to be credited against taxes incurred in a subsequent  
24 calendar year. No refunds shall be granted for credits under this  
25 section that are in excess of taxes due and payable for the reporting  
26 period. A person shall not take credit under this section in excess of  
27 one thousand dollars during any calendar year. A credit is not earned  
28 for the purposes of the carry-over provisions of this subsection for  
29 wages that would otherwise qualify for the credit, but exceed this one  
30 thousand dollar limitation.

31 (7) A person taking credit under this section shall not take credit  
32 under section 2 of this act.

33 (8) As used in this section, the following definitions apply:

34 (a) "Institution of higher education" means the state universities,  
35 the regional universities, The Evergreen State College, community  
36 colleges, technical colleges, and private postsecondary institutions  
37 located in the state of Washington, that provide undergraduate or  
38 graduate programs of study.

1 (b) "Qualified technical program" means a program of study that  
2 will provide the student employee with an undergraduate or graduate  
3 degree in mathematics, science, health science, engineering, or  
4 computer technology.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.16 RCW  
6 to read as follows:

7 (1) A credit is authorized against the tax otherwise due under this  
8 chapter for persons that employ one or more students enrolled in a  
9 qualified technical program at an institution of higher education.

10 (2) The provisions for the credit authorized in section 1 of this  
11 act apply to this section.

12 (3) A person taking credit under this section shall not take credit  
13 under section 1 of this act.

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