

HB 2772 - DIGEST

Finds that the state's retail sales tax on construction discourages capital investment by new and existing Washington businesses. Without relief from the state's retail sales tax on construction, Washington businesses in certain sectors and areas will be adversely impacted. The legislature recognizes the importance of such businesses for employment and economic development in Washington state.

Reaffirms that policies providing tax incentives for manufacturing and research and development businesses in these distressed areas are essential to promote economic stimulation, economic growth, and new employment opportunities in these distressed areas.

Reaffirms that high-technology businesses are a vital and growing source of high-wage, high-skilled jobs in this state, and that the high-technology sector is a key component of the state's effort to encourage economic diversification. The legislature found that many high-technology businesses incur significant costs associated with research and development and pilot scale manufacturing many years before a marketable product can be produced, and that current state tax policy discourages the growth of these companies by taxing them long before they become profitable. The legislature reaffirms that stimulating growth of high-technology businesses early in their development cycle, when they are turning ideas into marketable products, will build upon the state's established high-technology base, creating additional research and development jobs and subsequent manufacturing facilities.

Reaffirms that state policies providing tax incentives for economic growth in the fruit and vegetable processing industry are essential.

Declares that tax incentives should be subject to the same rigorous requirements for efficiency and accountability as are other expenditure programs, and that tax incentives should therefore be focused to provide the greatest possible return on the state's investment.

Repeals various provisions.