
HOUSE BILL 2195

State of Washington

60th Legislature

2007 Regular Session

By Representatives Roach, Haler, Hinkle, Bailey, Ahern, Newhouse, Kristiansen, Morrell, Williams, Strow, Lovick, O'Brien, Hurst and Simpson

Read first time 02/13/2007. Referred to Committee on Finance.

1 AN ACT Relating to tax incentives for autism research and
2 development; adding a new section to chapter 82.04 RCW; and providing
3 an effective date.

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) In computing the tax imposed under this chapter, a credit is
8 allowed for each person who conducts research and development spending
9 for autism during the year in which the credit is claimed.

10 (2) The credit is equal to the greater of the amount of qualified
11 research and development expenditures of a person or eighty percent of
12 amounts received by a person other than a public educational or
13 research institution in compensation for the conduct of qualified
14 research and development multiplied by 1.50 percent.

15 (3) Any person entitled to the credit provided in subsection (2) of
16 this section as a result of qualified research and development
17 conducted under contract may assign all or any portion of the credit to
18 the person contracting for the performance of the qualified research
19 and development.

1 (4) The credit, including any credit assigned to a person under
2 subsection (3) of this section, shall be claimed against taxes due for
3 the same calendar year in which the qualified research and development
4 expenditures are incurred. The credit, including any credit assigned
5 to a person under subsection (3) of this section, for each calendar
6 year shall not exceed the lesser of two million dollars or the amount
7 of tax otherwise due under this chapter for the calendar year.

8 (5) For any person claiming the credit, including any credit
9 assigned to a person under subsection (3) of this section, whose
10 research and development spending during the calendar year fails to
11 meet the qualifications of this section or who is otherwise ineligible,
12 the department shall declare the taxes against which the credit was
13 claimed to be immediately due and payable. The department shall assess
14 interest, but not penalties, on the taxes against which the credit was
15 claimed. Interest shall be assessed at the rate provided for
16 delinquent excise taxes under chapter 82.32 RCW, retroactively to the
17 date the credit was claimed, and shall accrue until the taxes against
18 which the credit was claimed are repaid. Any credit assigned to a
19 person under subsection (3) of this section that is disallowed as a
20 result of this section may be claimed by the person who performed the
21 qualified research and development subject to the limitations set forth
22 in subsection (4) of this section.

23 (6) For the purpose of this section:

24 (a) "Autism" means a developmental disability significantly
25 affecting verbal and nonverbal communication and social interaction,
26 generally evident before age three, that adversely affects educational
27 performance. Other characteristics often associated with autism are
28 engagement in repetitive activities and stereotyped movements,
29 resistance to environmental change or change in daily routines, and
30 unusual responses to sensory experiences.

31 (b) "Qualified research and development expenditures" means
32 operating expenses, including wages, compensation of a proprietor or a
33 partner in a partnership as determined under rules adopted by the
34 department, benefits, supplies, and computer expenses, directly
35 incurred in qualified research and development by a person claiming the
36 credit provided in this section. The term does not include amounts
37 paid to a person other than a public educational or research

1 institution to conduct qualified research and development nor does the
2 term include capital costs and overhead, such as expenses for land,
3 structures, or depreciable property.

4 (c) "Qualified research and development" means research and
5 development performed in this state in the field of autism.

6 (d) "Research and development spending" means qualified research
7 and development expenditures plus eighty percent of amounts paid to a
8 person other than a public educational or research institution to
9 conduct qualified research and development.

10 NEW SECTION. **Sec. 2.** This act takes effect August 1, 2007.

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