

SHB 2530 - H AMD 1105

By Representative Orcutt

1 Beginning on page 7, after line 2, strike all of section 7 and
2 insert the following:

3 "Sec. 7. RCW 82.32.585 and 2011 c 23 s 6 are each amended to read
4 as follows:

5 (1)(a) Unless the department extends the due date as provided in
6 RCW 82.32.590, every person claiming a tax preference that requires a
7 survey under this section must file a complete annual survey with the
8 department by the due date as provided in (b) of this subsection.

9 (b)(i) Except as provided in ~~((a))~~ (b)(ii) of this subsection,
10 the survey is due by April 30th of the year following any calendar year
11 in which a person becomes eligible to claim the tax preference that
12 requires a survey under this section. If a person remains eligible to
13 claim a tax preference in subsequent calendar years, the person must
14 file additional surveys by April 30th of each year following each
15 calendar year that the person remains eligible to claim the tax
16 preference.

17 (ii) If the tax preference is a deferral of tax, the first survey
18 must be filed by April 30th of the calendar year following the calendar
19 year in which the investment project is certified by the department as
20 operationally complete, and a survey must be filed by April 30th of
21 each of the seven succeeding calendar years.

22 ~~((b) The department may extend the due date for timely filing of~~
23 ~~annual surveys under this section as provided in RCW 82.32.590.))~~

24 (2)~~((a))~~ The survey must include information as required in this
25 subsection for the calendar year preceding the calendar year in which
26 the survey is due.

27 (a)(i) The amount of the tax preference claimed ~~((for the calendar~~
28 ~~year covered by))~~ must be reported on the survey.

29 (ii) For a person that claimed an exemption provided in RCW
30 82.08.025651 or 82.12.025651, the survey must include the amount of tax

1 exempted under those sections in the prior calendar year for each
2 general area or category of research and development for which exempt
3 machinery and equipment and labor and services were acquired in the
4 prior calendar year.

5 (b) The survey must also include the following information for
6 employment positions in Washington, not to include names of
7 employees(~~(, for the year that the tax preference was claimed)~~):

8 (i) The number of total employment positions;
9 (ii) Full-time, part-time, and temporary employment positions as a
10 percent of total employment;

11 (iii) The number of employment positions according to the following
12 wage bands: Less than thirty thousand dollars; thirty thousand dollars
13 or greater, but less than sixty thousand dollars; and sixty thousand
14 dollars or greater. A wage band containing fewer than three
15 individuals may be combined with another wage band; and

16 (iv) The number of employment positions that have employer-provided
17 medical, dental, and retirement benefits, by each of the wage bands.

18 (c) The survey must also include the amount of new capital
19 investment in Washington. For purposes of this subsection (2)(c), the
20 term "capital investment" means the cost of land, structures, and
21 depreciable property located in Washington that are integral to the
22 activities that qualify the business for the tax preference or
23 preferences requiring a survey under this section.

24 (d) For persons claiming the tax preference provided under chapter
25 82.60 or 82.63 RCW, the survey must also include the number of new
26 products or research projects by general classification, and the number
27 of trademarks, patents, and copyrights associated with activities at
28 the investment project.

29 ~~((d))~~ (e) For persons claiming the credit provided under RCW
30 82.04.4452, the survey must also include the qualified research and
31 development expenditures ~~((during the calendar year for which the~~
32 ~~credit was claimed))~~, the taxable amount ~~((during the calendar year for~~
33 ~~which the credit was claimed))~~, the number of new products or research
34 projects by general classification, the number of trademarks, patents,
35 and copyrights associated with the research and development activities
36 for which the credit was claimed, and whether the tax preference has
37 been assigned, and who assigned the credit. The definitions in RCW
38 82.04.4452 apply to this subsection (2)~~((d))~~(e).

1 ~~((e))~~ (f) For persons claiming the tax exemption in RCW
2 82.08.025651 or 82.12.025651, the survey must also include the general
3 areas or categories of research and development for which machinery and
4 equipment and labor and services were acquired, exempt from tax under
5 RCW 82.08.025651 or 82.12.025651(~~(, in the prior calendar year)~~).

6 ~~((f))~~ (g) If the person filing a survey under this section did
7 not file a survey under this section or report under RCW 82.32.534 with
8 the department in the previous calendar year, the survey filed under
9 this section must also include the employment, wage, and benefit
10 information required under (b)~~((i) through (iv))~~ of this subsection
11 for the calendar year immediately preceding the calendar year for which
12 a tax preference was claimed.

13 (3) As part of the annual survey, the department may request
14 additional information necessary to measure the results of, or
15 determine eligibility for, the tax preference.

16 (4)(a) All information collected under this section, except the
17 information required in subsection (2)(a) of this section, is deemed
18 taxpayer information under RCW 82.32.330. Information required in
19 subsection (2)(a) of this section is not subject to the confidentiality
20 provisions of RCW 82.32.330 and may be disclosed to the public upon
21 request, except as provided in subsection (5) of this section.

22 (b) If the amount of the tax preference claimed as reported on the
23 survey is different than the amount actually claimed or otherwise
24 allowed by the department based on the taxpayer's excise tax returns or
25 other information known to the department, the amount actually claimed
26 or allowed may be disclosed.

27 (5) Persons for whom the actual amount of the tax reduced or saved
28 is less than ten thousand dollars during the period covered by the
29 survey may request the department to treat the amount of the tax
30 reduction or savings as confidential under RCW 82.32.330.

31 (6)(a) Except as otherwise provided by law, if a person claims a
32 tax preference that requires an annual survey under this section but
33 fails to submit a complete annual survey by the due date of the survey
34 or any extension under RCW 82.32.590, the department must declare the
35 amount of the tax preference claimed for the previous calendar year to
36 be immediately due. If the tax preference is a deferral of tax, twelve
37 and one-half percent of the deferred tax is immediately due. If the

1 economic benefits of the deferral are passed to a lessee, the lessee is
2 responsible for payment to the extent the lessee has received the
3 economic benefit.

4 (b) The department must assess interest, but not penalties, on the
5 amounts due under this subsection. The interest must be assessed at
6 the rate provided for delinquent taxes under this chapter,
7 retroactively to the date the tax preference was claimed, and accrues
8 until the taxes for which the tax preference was claimed are repaid.
9 Amounts due under this subsection are not subject to the
10 confidentiality provisions of RCW 82.32.330 and may be disclosed to the
11 public upon request.

12 (7) The department must use the information from this section to
13 prepare summary descriptive statistics by category. No fewer than
14 three taxpayers may be included in any category. The department must
15 report (~~(these)~~) summary descriptive statistics to the legislature each
16 year by (~~(October)~~) December 1st.

17 (8) For the purposes of this section:

18 (a) "Person" has the meaning provided in RCW 82.04.030 and also
19 includes the state and its departments and institutions.

20 (b) "Tax preference" has the meaning provided in RCW 43.136.021 and
21 includes only the tax preferences requiring a survey under this
22 section."

EFFECT: Restores the confidentiality requirements under current
law for annual surveys. Removes the requirement for DOR to evaluate
the relative tax burdens in its summary descriptive statistics.

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