

SENATE BILL REPORT

SB 5665

As of February 10, 2011

Title: An act relating to reauthorizing counties with community empowerment zones to qualify as an eligible area for investment projects in rural counties.

Brief Description: Reauthorizing counties with community empowerment zones to qualify as an eligible area for investment projects in rural counties.

Sponsors: Senators Chase, Kilmer, Kastama, Brown and White.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/07/11.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Staff: Jack Brummel (786-7428)

Background: The Tax Deferral Program for Investment Projects in Rural Counties grants a deferral of sales and use tax for construction of manufacturing facilities, research and development laboratories, commercial testing laboratories, and vegetable seed conditioning facilities located in counties with high unemployment rates and Community Empowerment Zones (CEZ).

The sales and use taxes on qualified construction and equipment costs for such businesses located in these specific geographic areas are waived when all program requirements have been met and verified. These waiver requirements include (1) an annual report covering each calendar year that must be filed by March 31 of the following year; (2) a verification by the Department of Revenue (DOR) that all purchases are eligible; (3) use of the facility for qualified activities during the year in which the investment project is certified as operationally complete by the DOR and for each of the following seven years; and (4) that employment requirements have been met for a business located in a CEZ.

Beginning in 1999 the Legislature authorized the deferral in a county containing a CEZ, even if the county did not otherwise qualify for the deferral. In 2010 this deferral allowance in a county containing a CEZ was removed.

Summary of Bill: The deferral is authorized in a county containing a CEZ.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.