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HOUSE BILL 1458

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State of Washington

62nd Legislature

2011 Regular Session

By Representatives Hope, Armstrong, Klippert, Frockt, Smith, Harris, and Kelley

Read first time 01/21/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to encouraging businesses to hire unemployed  
2 workers through a business and occupation tax credit; adding a new  
3 section to chapter 82.04 RCW; and declaring an emergency.

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) A credit is allowed against the tax due under this chapter for  
8 new qualified employment positions created as provided in this section.

9 (2) The credit equals:

10 (a) Four thousand dollars for each qualified employment position  
11 with wages and benefits greater than forty thousand dollars annually,  
12 and for which the business offers a health care plan.

13 (b) Two thousand dollars for each qualified employment position  
14 with wages and benefits less than forty thousand dollars annually, and  
15 for which the business offers a health care plan.

16 (3) The credit for a qualified new employment position may be taken  
17 in the reporting period when the position is filled but the position  
18 must be maintained for four calendar quarters beginning with the

1 calendar quarter subsequent to the calendar quarter in which the  
2 position is filled.

3 (4) The credit may be used against any tax due under this chapter,  
4 and may be carried over until used. No refunds may be granted for  
5 credits under this section.

6 (5) The employment security department must provide such  
7 information needed for the department to certify all determinations of  
8 employment under this section.

9 (6) The definitions in this subsection apply throughout this  
10 section unless the context clearly requires otherwise.

11 (a) "Eligible business" means a business with one hundred or fewer  
12 employees at the time of hiring the first qualified employment  
13 position.

14 (b) "Health care plan" means any "employee welfare benefit plan" as  
15 defined by the employee retirement income security act of 1974, 29  
16 U.S.C. Sec. 1001 et seq., and any "health plan" or "health benefit  
17 plan" as defined in RCW 48.43.005, for the purpose of providing for its  
18 employees or their beneficiaries, through the purchase of insurance or  
19 otherwise, health care services. For the purposes of this section,  
20 "health care services" means services offered or provided by health  
21 care facilities and health care providers relating to the prevention,  
22 cure, or treatment of illness, injury, or disease.

23 (c) "New employee" means a person who has been unemployed for at  
24 least four consecutive weeks immediately preceding the start of  
25 employment.

26 (d) "Qualified new employment position" means a permanent full-time  
27 new employee employed in the eligible business in Washington providing  
28 at least thirty hours of work per week.

29 (7) The department must keep a running total of all credits allowed  
30 under this chapter during each fiscal year. The department may not  
31 allow any credits, if the allowance of which would cause the total to  
32 exceed ten million dollars in any fiscal year. If all or part of an  
33 application for credit is disallowed under this subsection, the  
34 disallowed portion must be carried over to the next fiscal year.  
35 However, the carryover into the next fiscal year is only permitted to  
36 the extent that the cap for the next fiscal year is not exceeded.

37 (8) In addition to all other requirements under this title, a

1 person claiming the credit under this section must file a complete  
2 annual survey with the department under RCW 82.32.585.

3 (9) If, on the basis of a survey required under subsection (8) of  
4 this section or other information, the department finds that a person  
5 is not eligible for tax credit claimed under this section, the amount  
6 of taxes for which a credit has been claimed is immediately due.

7 (10) No applications may be accepted after June 30, 2013.

8 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
9 preservation of the public peace, health, or safety, or support of the  
10 state government and its existing public institutions, and takes effect  
11 immediately.

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