
SENATE BILL 5032

State of Washington

63rd Legislature

2013 Regular Session

By Senator Ericksen

Read first time 01/15/13. Referred to Committee on Ways & Means.

1 AN ACT Relating to extending the tax credit expiration date for
2 certain contributions made to electric utility rural economic
3 development revolving funds; and amending RCW 82.16.0491.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.16.0491 and 2008 c 131 s 4 are each amended to read
6 as follows:

7 (1) The following definitions apply to this section:

8 (a) "Qualifying project" means a project designed to achieve job
9 creation or business retention, to add or upgrade nonelectrical
10 infrastructure, to add or upgrade health and safety facilities, to
11 accomplish energy and water use efficiency improvements, including
12 renewable energy development, or to add or upgrade emergency services
13 in any designated qualifying rural area.

14 (b) "Qualifying rural area" means:

15 (i) A rural county as defined in RCW 82.14.370; or

16 (ii) Any geographic area in the state that receives electricity
17 from a light and power business with twelve thousand or fewer
18 customers.

1 (c) "Electric utility rural economic development revolving fund"
2 means a fund devoted exclusively to funding qualifying projects in
3 qualifying rural areas.

4 (d) "Local board" is (i) a board of directors with at least, but
5 not limited to, three members representing local businesses and
6 community groups who have been appointed by the sponsoring electric
7 utility to oversee and direct the activities of the electric utility
8 rural economic development revolving fund; or (ii) a board of directors
9 of an existing associate development organization serving the
10 qualifying rural area who have been designated by the sponsoring
11 electrical utility to oversee and direct the activities of the electric
12 utility rural economic development revolving fund.

13 (2) A light and power business (~~shall be~~) is allowed a credit
14 against taxes due under this chapter in an amount equal to fifty
15 percent of contributions made in any fiscal year directly to an
16 electric utility rural economic development revolving fund. The credit
17 (~~shall~~) must be taken in a form and manner as required by the
18 department. The credit under this section (~~shall~~) may not exceed
19 twenty-five thousand dollars per fiscal year per light and power
20 business. The credit may not exceed the tax that would otherwise be
21 due under this chapter. Refunds (~~shall~~) may not be granted in the
22 place of credits. Expenditures not used to earn a credit in one fiscal
23 year may not be used to earn a credit in subsequent years, except that
24 this limitation does not apply to expenditures made between January 1,
25 2004, and March 31, 2004, which expenditures may be used to earn a
26 credit through December 30, 2004.

27 (3) The right to earn tax credits under this section expires June
28 30, (~~2011~~) 2018.

29 (4) To qualify for the credit in subsection (2) of this section,
30 the light and power business (~~shall~~) must establish, or have a local
31 board establish with the business's contribution, an electric utility
32 rural economic development revolving fund which is governed by a local
33 board whose members (~~shall~~) must reside or work in the qualifying
34 rural area served by the light and power business. Expenditures from
35 the electric utility rural economic development revolving fund
36 (~~shall~~) must be made solely on qualifying projects, and the local
37 board (~~shall have~~) has authority to determine all criteria and

1 conditions for the expenditure of funds from the electric utility rural
2 economic development revolving fund, and for the terms and conditions
3 of repayment.

4 (5) Any funds repaid to the electric utility rural economic
5 development revolving fund by recipients (~~shall~~) must be made
6 available for additional qualifying projects.

7 (6) If at any time the electric utility rural economic development
8 revolving fund is dissolved, any moneys claimed as a tax credit under
9 this section (~~shall~~) must either be granted to a qualifying project
10 or refunded to the state within two years of termination.

11 (7) The total amount of credits that may be used in any fiscal year
12 (~~shall~~) may not exceed three hundred fifty thousand dollars in any
13 fiscal year. The department (~~shall~~) must allow the use of earned
14 credits on a first-come, first-served basis. Unused earned credits may
15 be carried over to subsequent years.

16 (8) The following provisions apply to expenditures under subsection
17 (2) of this section made between January 1, 2004, and March 31, 2004:

18 (a) Credits earned from such expenditures are not considered in
19 computing the statewide limitation set forth in subsection (7) of this
20 section for the period July 1, 2004, through December 31, 2004; and

21 (b) For the fiscal year ending June 30, 2005, the credit allowed
22 under this section for light and power businesses making expenditures
23 is limited to thirty-seven thousand five hundred dollars.

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