
SENATE BILL 6515

State of Washington

63rd Legislature

2014 Regular Session

By Senators Brown, Chase, Hewitt, and Rivers

Read first time 01/30/14. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to a pilot program that provides incentives for
2 investments in Washington state job creation and economic development;
3 adding a new section to chapter 82.04 RCW; creating a new section; and
4 providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** Businesses that invest capital create jobs
7 and generate economic activity that supports a healthy Washington
8 economy. The legislature finds that these investments result in future
9 revenues that support schools and our communities. Therefore, the
10 legislature finds that a pilot program must be conducted to evaluate
11 the effectiveness of an incentive program for businesses that recognize
12 the value of job creation and capital investments in Washington for its
13 citizens.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
15 to read as follows:

16 (1) The department with the assistance of the department of
17 commerce must create a pilot program that provides an incentive for
18 businesses to create eligible new jobs and invest capital in

1 Washington. The pilot program must include businesses with eligible
2 projects that allow a business tax credit against the actual revenues
3 generated from the investment. The pilot program is expected to
4 generate investments that would most likely otherwise not have occurred
5 without the incentive program. The incentive program is intended to be
6 tax neutral by offsetting tax credits against new tax revenues created
7 by eligible projects. The department and the department of commerce
8 must develop the program for the purpose of evaluating its economic
9 effectiveness. The program must include up to five eligible projects
10 including but not limited to industrial and manufacturing projects
11 across the state.

12 (2) A business is allowed a credit against the tax due under this
13 chapter as provided in this section. In computing the tax imposed
14 under this chapter, a credit is allowed for employers participating in
15 the jobs and economic development incentive pilot program created in
16 subsection (1) of this section. The credit applies to eligible new
17 jobs or new capital investments made by a business. The credit may not
18 exceed the actual new tax revenues created by eligible projects, and
19 the business must reinvest the value of the tax credit in their
20 business in Washington. If at any time the department finds that a
21 person is not eligible for a tax credit under this section, the amount
22 of taxes for which a credit has been used are immediately due. The
23 department must assess interest, but not penalties, on the credited
24 taxes for which the person is not eligible. The interest must be
25 assessed at the rate provided for delinquent excise taxes under chapter
26 82.32 RCW.

27 (3) The definitions in this subsection apply throughout this
28 section unless the context clearly requires otherwise.

29 (a) "Eligible project" means a project that would add at least two
30 hundred fifty thousand dollars of capital investment or will create at
31 least three full-time jobs, and will generate additional tax revenues
32 to the state or the local government, which would not have been
33 generated without the incentive program provided in this section.

34 (b) "Eligible new job" means a job that did not exist in the
35 business in this state prior to the subject business's application to
36 the department under this section for an eligible project.

37 (c) "New tax revenues created by eligible projects" means tax

1 revenue generated as a result of the incentive program including taxes
2 due under this chapter and chapters 82.08 and 82.12 RCW.

3 (4) The department and the department of commerce must develop
4 performance metrics including the number of eligible new jobs created,
5 capital investments made, and new tax revenues created by eligible
6 projects. The department of commerce must provide annual updates and
7 report its findings and recommendations on the effectiveness of the
8 pilot program to the appropriate committees of the legislature by
9 December 1, 2020.

10 (5) This act expires December 31, 2021.

--- END ---