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**Community Development, Housing &  
Tribal Affairs Committee**

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**HB 1370**

**Brief Description:** Increasing the total amount of tax credits allowed under the Washington main street program.

**Sponsors:** Representatives Wylie, Nealey, Manweller, Van De Wege, Haler, Appleton, Zeiger, Tharinger, Klippert, Vick and S. Hunt.

**Brief Summary of Bill**

- Increases the tax credit limits for the Main Street Tax Incentive Program.

**Hearing Date:** 1/27/15

**Staff:** Sean Flynn (786-7124).

**Background:**

The Main Street Program (Program) was created in 2005 to provide technical assistance for local comprehensive downtown or neighborhood commercial district revitalization initiatives. The Program is operated by the Department of Archeology and Historic Preservation (Department). The Department provides initial site evaluations by technical specialists, training for local programs and staff, as well as design and implementation assistance to local governments and organizations for revitalization programs.

The Department also may provide financial assistance for initial start-up costs for a local program.

The Department may designate local comprehensive downtown or neighborhood commercial district revitalization programs and official local Main Street programs based on certain criteria. The boundaries of a local program must be approved by the Department and are generally

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defined by the pedestrian core of a traditional commercial. The Department may not designate a program undertaken by a local government with a population over 190,000 people.

The Main Street Trust Fund Account is established to receive private contributions, federal funds, and legislative appropriations for the operation of the Main Street Program.

Main State Tax Incentive Program.

Private contributions made to the Main Street Program Trust Fund or a designated local Main Street program are eligible for a Business & Occupation (B&O) or Public Utility tax (PUT) tax credit. The credit is worth:

- Seventy-five percent of a contribution made directly to a designated program in a city under 190,000; and
- Fifty percent of a contribution made to the Main Street Trust Fund.

The tax credit program has certain limits. No person may receive a tax credit over \$250,000 in each calendar year. The total tax credits allowed for each designated program may not exceed \$100,000 per calendar year. The total tax credits allowed statewide may not exceed \$1.5 million for each calendar year.

**Summary of Bill:**

The Main Street Program Tax Incentive Program tax credit limits are increased as follows:

- The tax credit limit for contributions made statewide is raised to \$3 million.
- The limit for contributions made to a designated program is raised to \$200,000.
- The limit for a person receiving a tax credit is raised to \$500,000.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/21/2015.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.