
HOUSE BILL 2094

State of Washington

65th Legislature

2017 Regular Session

By Representatives Wylie and Nealey

Read first time 02/13/17. Referred to Committee on Finance.

1 AN ACT Relating to the main street program; amending RCW
2 82.73.020 and 82.73.030; adding a new section to chapter 82.73 RCW;
3 creating a new section; and providing a contingent expiration date.

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

5 NEW SECTION. **Sec. 1.** This section is the tax preference
6 performance statement for the tax preference contained in section 3
7 of this act. This performance statement is only intended to be used
8 for subsequent evaluation of the tax preference. It is not intended
9 to create a private right of action by any party or be used to
10 determine eligibility for preferential tax treatment.

11 (1) The legislature categorizes this tax preference as one
12 intended to promote contributions to main street programs and to
13 enhance community and economic revitalization and development of main
14 street business districts under categories as indicated in RCW
15 82.32.808(2) (a) and (f).

16 (2) It is the legislature's specific public policy objective to
17 support and work in concert with main street programs to accomplish
18 community and economic revitalization of business districts as
19 specified in RCW 43.360.005. It is the legislature's intent to
20 provide tax credits to businesses in main street communities to
21 promote contributions to such programs as provided in RCW 82.73.030,

1 in order to maintain the economic viability of rural downtown areas
2 (main streets), thereby ensuring the growth and retention of small
3 businesses in rural communities.

4 (3) If a review finds that the number of small businesses that
5 are a part of main street communities has increased or stayed the
6 same, then the legislature intends to extend the expiration date of
7 the tax preference.

8 (4) In order to obtain the data necessary to perform the review
9 in subsection (3) of this section, the joint legislative audit and
10 review committee may refer to data collected by the department of
11 archaeology and historic preservation.

12 **Sec. 2.** RCW 82.73.020 and 2005 c 514 s 903 are each amended to
13 read as follows:

14 (1) Application for tax credits under this chapter must be
15 ~~((made))~~ submitted to the department before making a contribution to
16 a program or the main street trust fund. The application ~~((shall))~~
17 must be made to the department in a form and manner prescribed by the
18 department. The application ~~((shall))~~ must contain information
19 regarding the proposed amount of contribution to a program or the
20 main street trust fund, and other information required by the
21 department to determine eligibility under this chapter ~~((514, Laws of
22 2005))~~. The department ~~((shall))~~ must rule on the application within
23 forty-five days. Except as provided in RCW 82.73.030(5), applications
24 ~~((shall))~~ must be approved on a first-come basis.

25 (2) ~~((The person must make the contribution described in the
26 approved application by the end of the calendar year in which the
27 application is approved to claim a credit allowed under RCW
28 82.73.030.~~

29 ~~(3))~~ The department ~~((shall))~~ may not accept any applications
30 before ~~((January 1, 2006))~~ the second Monday in January of each
31 calendar year.

32 **Sec. 3.** RCW 82.73.030 and 2005 c 514 s 904 are each amended to
33 read as follows:

34 (1) Subject to the limitations in this chapter, a credit is
35 allowed against the tax imposed by chapters 82.04 and 82.16 RCW for
36 approved contributions that are made by a person to a program or the
37 main street trust fund.

1 (2) The credit allowed under this section is limited to an amount
2 equal to:

3 (a) Seventy-five percent of the approved contribution made by a
4 person to a program; or

5 (b) Fifty percent of the approved contribution made by a person
6 to the main street trust fund.

7 (3) The department may not approve credit with respect to a
8 program in a city or town with a population of one hundred ninety
9 thousand persons or more.

10 (4) The department (~~shall~~) must keep a running total of all
11 credits approved under this chapter for each calendar year. The
12 department (~~shall~~) may not approve any credits under this section
13 that would cause the total amount of approved credits statewide to
14 exceed (~~one~~) five million (~~five hundred thousand~~) dollars in any
15 calendar year.

16 (5)(a)(i) Except as otherwise limited in (a)(ii) of this
17 subsection (5), the total credits allowed under this chapter for
18 contributions made to each program may not exceed one hundred
19 thousand dollars in a calendar year.

20 (ii) Between the second Monday in January and March 31st of the
21 same calendar year, the department must evenly allocate the amount of
22 statewide credits allowed under subsection (4) of this section based
23 on the total number of programs and the main street trust fund as of
24 January 1st in the same calendar year. The department may not approve
25 contributions for a program or the main street trust fund that would
26 cause the total amount of approved credits for a program or the main
27 street trust fund to exceed the allocated amount.

28 (b) The total credits allowed under this chapter for a person may
29 not exceed two hundred fifty thousand dollars in a calendar year.

30 (6) The credit may be claimed against any tax due under chapters
31 82.04 and 82.16 RCW only in the calendar year immediately following
32 the calendar year in which the credit was approved by the department
33 and the contribution was made to the program or the main street trust
34 fund. Credits may not be carried over to subsequent years. No refunds
35 may be granted for credits under this chapter.

36 (7) The total amount of the credit claimed in any calendar year
37 by a person may not exceed the lesser amount of:

38 (a) The approved credit(~~(τ)~~); or

39 (b) Seventy-five percent of the amount of the contribution that
40 is made by the person to a program and fifty percent of the amount of

1 the contribution that is made by the person to the main street trust
2 fund, in the prior calendar year.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.73
4 RCW to read as follows:

5 (1) A person that was approved for credit as provided in RCW
6 82.73.020 must make the total approved contribution by November 15th
7 of the calendar year in which the application is approved. If
8 November 15th falls upon a Saturday, Sunday, or legal holiday, the
9 payment of the contribution will be considered timely if made on the
10 next business day.

11 (2)(a) A person that does not make a contribution as required in
12 subsection (1) of this section forfeits all credits for the approved
13 contribution.

14 (b) The department must make credits forfeited as provided in (a)
15 of this subsection available to new applicants.

16 (3) A person that was approved for credit as provided in RCW
17 82.73.020 after November 15th must make the total approved
18 contribution by the end of the calendar year in which the
19 contribution was approved.

20 NEW SECTION. **Sec. 5.** (1) This act expires January 1, 2028, if a
21 review by the joint legislative audit and review committee under
22 section 1 of this act finds that the number of small businesses that
23 are a part of main street communities is not equal to or more than
24 the number that were a part of main street communities prior to the
25 enactment of the tax preference in section 3 of this act.

26 (2) The joint legislative audit and review committee must provide
27 written notice of the expiration date of this act to affected
28 parties, the chief clerk of the house of representatives, the
29 secretary of the senate, the office of the code reviser, and others
30 as deemed appropriate by the committee.

--- END ---