
HOUSE BILL 2256

State of Washington

66th Legislature

2020 Regular Session

By Representatives Gildon, Van Werven, and Barkis

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1 AN ACT Relating to providing tax relief to businesses that
2 support higher education; amending RCW 28B.92.200; adding a new
3 section to chapter 82.04 RCW; and creating a new section.

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

5 **Sec. 1.** RCW 28B.92.200 and 2019 c 406 s 19 are each amended to
6 read as follows:

7 (1) The Washington college grant program is created to provide a
8 statewide free college program for eligible participants and greater
9 access to postsecondary education for Washington residents. The
10 Washington college grant program is intended to increase the number
11 of high school graduates and adults that can attain a postsecondary
12 credential and provide them with the qualifications needed to compete
13 for job opportunities in Washington.

14 (2) The office shall implement and administer the Washington
15 college grant program and is authorized to establish rules necessary
16 for implementation of the program.

17 (3) The legislature shall appropriate funding for the Washington
18 college grant program. Allocations must be made on the basis of
19 estimated eligible participants enrolled in eligible institutions of
20 higher education or apprenticeship programs. All eligible students

1 are entitled to a Washington college grant beginning in academic year
2 2020-21.

3 (4) The office shall award Washington college grants to all
4 eligible students beginning in academic year 2020-21.

5 (5) To be eligible for the Washington college grant, students
6 must meet the following requirements:

7 (a) Demonstrate financial need under RCW 28B.92.205;

8 (b) (i) Be enrolled or accepted for enrollment for at least three
9 quarter credits or the equivalent semester credits at an institution
10 of higher education in Washington as defined in RCW 28B.92.030; or

11 (ii) Be enrolled in a registered apprenticeship program approved
12 under chapter 49.04 RCW;

13 (c) Be a resident student as defined in RCW 28B.15.012(2) (a)
14 through (e);

15 (d) File an annual application for financial aid as approved by
16 the office; and

17 (e) Must not have earned a baccalaureate degree or higher from a
18 postsecondary institution.

19 (6) Washington college grant eligibility may not extend beyond
20 five years or one hundred twenty-five percent of the published length
21 of the program in which the student is enrolled or the credit or
22 clock-hour equivalent.

23 (7) Institutional aid administrators shall determine whether a
24 student eligible for the Washington college grant in a given academic
25 year may remain eligible for the ensuing year if the student's family
26 income increases by no more than three percent.

27 (8) Qualifications for receipt and renewal include maintaining
28 satisfactory academic progress toward completion of an eligible
29 program as determined by the office and established in rule.

30 (9) Should a recipient terminate his or her enrollment for any
31 reason during the academic year, the unused portion of the grant
32 shall be returned to the state educational grant fund by the
33 institution of higher education according to the institution of
34 higher education's policy for issuing refunds, except as provided in
35 RCW 28B.92.070.

36 (10) An eligible student enrolled on a part-time basis shall
37 receive a prorated portion of the Washington college grant for any
38 academic period in which he or she is enrolled on a part-time basis.

39 (11) The Washington college grant is intended to be used to meet
40 the costs of postsecondary education for students with financial

1 need. The student shall be awarded all need-based financial aid for
2 which the student qualifies as determined by the institution.

3 (12) Students and participating institutions of higher education
4 shall comply with all the rules adopted by the council for the
5 administration of this chapter.

6 (13) An eligible student who receives contributions under section
7 2 of this act:

8 (a) Must have any grant received from the Washington college
9 grant program under this section reduced by an amount equal to all
10 contributions received from all companies; and

11 (b) Must submit an affidavit, in a manner and form prescribed by
12 the council, to the council and to the institution of higher
13 education in which the student is enrolled. The affidavit must:

14 (i) Verify the amount of contributions the student has received
15 from all companies; and

16 (ii) Attest to the student's reduced Washington college grant
17 funding to be received.

18 NEW SECTION. Sec. 2. A new section is added to chapter 82.04
19 RCW to read as follows:

20 (1) Subject to the limitations in this section, a company that
21 owes a surcharge under RCW 82.04.299 is allowed a credit against the
22 surcharge under RCW 82.04.299 for contributions made by that company
23 to any eligible student for the purposes of pursuing higher
24 education.

25 (2) The credit is equal to the total amount of contributions made
26 to all eligible students in a calendar year. The credit may not
27 exceed the amount of the surcharge otherwise due under RCW 82.04.299.
28 The credit may be used against the surcharge due on tax returns due
29 after January 31st of the calendar year in which the application was
30 approved and before February 1st of the following calendar year. No
31 refunds may be granted for credits under this section. A company
32 taking an exemption under this subsection must keep and preserve
33 records for the period required by RCW 82.32.070, documenting
34 contributions made to qualifying students.

35 (3) To receive the credit, a company must submit an application
36 to the department. Applications for tax credits under this section
37 must be received by the department between the first day of January
38 and the thirty-first day of January, following the calendar year in
39 which the applicant made contributions to eligible students. The

1 application must be made to the department in a form and manner
2 prescribed by the department. The application must contain
3 information including the number of eligible students to which
4 contributions were made, the amounts paid to eligible students in
5 total and by individual contribution, and any other information
6 required by the department.

7 (4) If the eligible student who is the recipient of a qualifying
8 contribution returns some or all of the contribution to the company
9 for any reason, the company must file an amended return.

10 (5) An eligible student receiving a contribution from a company
11 under this section must follow notification requirements outlined in
12 RCW 28B.92.200(13). The company providing the contribution must
13 inform the eligible student of these notification requirements upon
14 disbursement of the contribution.

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

17 (a) "Contributions" means direct financial assistance in the form
18 of bona fide grants, scholarships, or tuition reimbursement payments
19 provided to an eligible student for the purposes of assisting the
20 student with the pursuit of higher education. Contributions must be
21 used by the student to cover costs related to tuition, books, fees,
22 room, and housing.

23 (b) "Eligible student" means any individual who is:

24 (i) Enrolled in an institution of higher education in Washington
25 state; and

26 (ii) Eligible for the Washington college grant program under RCW
27 28B.92.200.

28 NEW SECTION. **Sec. 3.** The provisions of RCW 82.32.805 and
29 82.32.808 do not apply to this act.

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