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**SECOND SUBSTITUTE HOUSE BILL 1033**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Finance (originally sponsored by Representatives Leavitt, Boehnke, Bronoske, Santos, Paul, and Orwall)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to the Washington customized employment training  
2 program; amending RCW 82.04.449; creating new sections; providing an  
3 effective date; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that due to the  
6 COVID-19 pandemic, there is new urgency for employer-affordable  
7 programs supporting worker training. It is the objective of the  
8 legislature to aid in the recruiting, retaining, and expanding of  
9 existing small businesses in Washington by extending the expiration  
10 of the customized employment training program tax credit to July 1,  
11 2026.

12 NEW SECTION. **Sec. 2.** (1) This section is the tax preference  
13 performance statement for the tax preference contained in section 3,  
14 chapter . . ., Laws of 2021 (section 3 of this act). This performance  
15 statement is only intended to be used for subsequent evaluation of  
16 the tax preference. It is not intended to create a private right of  
17 action by any party or to be used to determine eligibility for  
18 preferential tax treatment.

19 (2) The legislature categorizes this tax preference as one  
20 intended to accomplish a general purpose, to provide customized

1 workforce development and skill development training that enhance  
2 worker skill sets.

3 (3) It is the legislature's specific public policy objective to  
4 provide customized training assistance that retains and expands  
5 existing businesses in Washington.

6 (4) If a review finds that 75 percent of participating businesses  
7 complete the training and repay the customized employment training  
8 program loan, then the legislature intends to extend the expiration  
9 date of this tax preference.

10 (5) In order to obtain the data necessary to perform the review  
11 in subsection (4) of this section, the joint legislative audit and  
12 review committee may refer to any data collected by the state.

13 **Sec. 3.** RCW 82.04.449 and 2017 c 135 s 20 are each amended to  
14 read as follows:

15 (1) In computing the tax imposed under this chapter, a credit is  
16 allowed for participants in the Washington customized employment  
17 training program created in RCW 28B.67.020. The credit allowed under  
18 this section is equal to (~~(fifty)~~) 50 percent of the value of a  
19 participant's payments to the employment training finance account  
20 created in RCW 28B.67.030. If a participant in the program does not  
21 meet the requirements of RCW 28B.67.020(2)(b)(ii), the participant  
22 must remit to the department the value of any credits taken plus  
23 interest. The credit earned by a participant in one calendar year may  
24 be carried over to be credited against taxes incurred in a subsequent  
25 calendar year. No credit may be allowed for repayment of training  
26 allowances received from the Washington customized employment  
27 training program on or after July 1, (~~(2021)~~) 2026.

28 (2) A person claiming the credit provided in this section must  
29 file a complete annual tax performance report with the department  
30 under RCW 82.32.534.

31 (3) By December 31, 2024, the college board, as defined in RCW  
32 28B.50.030, shall submit to the higher education committees of the  
33 legislature a report on:

- 34 (a) Industries supported by the program;  
35 (b) The geographical location of companies utilizing the program;  
36 (c) The number of employees trained;  
37 (d) The types of occupations included in the training;  
38 (e) The wages of employees trained prior to program entrance and  
39 the wage growth one year after training;

1       (f) Retention of employees for a period of one year after  
2 training; and

3       (g) Credential attainment of employees upon completion of the  
4 training, if applicable.

5       NEW SECTION.   **Sec. 4.**   This act is necessary for the immediate  
6 preservation of the public peace, health, or safety, or support of  
7 the state government and its existing public institutions, and takes  
8 effect July 1, 2021.

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