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**SUBSTITUTE HOUSE BILL 2728**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Heavey, Bowman, Rasmussen, Kremen, Carlson, Hochstatter, Van Luven, Forner, P. Johnson, May, Wynne, Tate, Grant, Haugen and Wood)

Read first time 02/07/92.

1 AN ACT Relating to the commerce and employment resources act;  
2 adding a new section to chapter 82.08 RCW; adding a new section to  
3 chapter 43.21C RCW; creating new sections; and providing an effective  
4 date.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that business  
7 development and expansion of the state's commerce creates jobs and  
8 secures the economic well-being of the state's citizens. Employers who  
9 create jobs are a valuable resource of the state and are appreciated by  
10 the state's citizens. To assure continued job growth and economic  
11 stability, the legislature finds that incentives to employers to invest  
12 in the state are in the state's interest and promote the public good.  
13 Without the business expansion undertaken by employers, the state and  
14 local governments would not receive increased tax revenues generated by

1 businesses and consumers. Therefore, the state should balance the need  
2 for impact fees and other state regulatory activity related to  
3 development with the benefits to the state from business and job  
4 growth.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW  
6 to read as follows:

7 (1) In computing the tax due under this chapter, the department  
8 shall allow a credit against the amount of tax due for the amount of  
9 impact fees paid by the taxpayer under RCW 82.02.050 through 82.02.090.  
10 To be eligible for a credit, the taxpayer must be a business owner who  
11 completes project improvements as defined under RCW 82.02.090. The  
12 department shall only apply the credit against the tax due for the  
13 project improvements. The amount of the combined credit permitted  
14 under this section shall not exceed the total of the impact fees paid  
15 under RCW 82.02.050 through 82.02.090 as a result of the project  
16 improvements. If the credit allowed under this section exceeds the tax  
17 imposed by this chapter, that portion of the credit that exceeds the  
18 taxes may be carried over to the taxes imposed by this chapter in the  
19 succeeding tax years, applying the credit first to the earliest income  
20 years possible.

21 (2) The taxpayer shall submit information required by the  
22 department to evaluate the taxpayer's eligibility for the credit.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.21C RCW  
24 to read as follows:

25 When an environmental review is undertaken, the responsible  
26 official shall issue a threshold determination requiring an  
27 environmental impact statement within ninety days of the receipt of a  
28 substantially completed application. Threshold determinations with a

1 determination of nonsignificance or a mitigated determination of  
2 nonsignificance shall be issued within one hundred twenty days of the  
3 receipt of a substantially completed application.

4 NEW SECTION. **Sec. 4.** The department of trade and economic  
5 development shall review state and local regulations affecting small  
6 businesses and shall compile a report on local government's methods and  
7 procedures used in evaluating the economic impacts of local  
8 regulations. The department shall report its findings and  
9 recommendations on changes to the laws affecting small businesses to  
10 the appropriate committees of the legislature by January 1, 1994.

11 NEW SECTION. **Sec. 5.** This act may be known and cited as the  
12 commerce and employment resources act.

13 NEW SECTION. **Sec. 6.** This act shall take effect July 1, 1993.