

SHB 3014 - H AMD TO H AMD (H-5777.1/10) 1680
By Representative Springer

ADOPTED 03/17/2010

1 On page 9, after line 23 of the amendment, insert the following:

2 "NEW SECTION. **Sec. 10.** A new section is added to chapter 82.60
3 RCW to read as follows:

4 (1) Subject to the conditions in this section, a person is not
5 liable for the amount of deferred taxes outstanding for an investment
6 project when the person temporarily ceases to use its qualified
7 buildings and qualified machinery and equipment for manufacturing or
8 research and development activities in a county with a population of
9 less than twenty thousand persons for a period not to exceed twenty-
10 four months from the date that the department sent its assessment for
11 the amount of outstanding deferred taxes to the taxpayer.

12 (2) The relief from repayment of deferred taxes under this section
13 does not apply unless the number of qualified employment positions
14 maintained at the investment project after manufacturing or research
15 and development activities are temporarily ceased is at least ten
16 percent of the number of qualified employment positions employed at the
17 investment project at the time the deferral was approved by the
18 department. If a person has been approved for more than one deferral
19 under this chapter, relief from repayment of deferred taxes under this
20 section does not apply unless the number of qualified employment
21 positions maintained at the investment project after manufacturing or
22 research and development activities are temporarily ceased is at least
23 ten percent of the highest number of qualified employment positions at
24 the investment project at the time any of the deferrals were approved
25 by the department. If, at any time during the twenty-four month period
26 after the department has sent the taxpayer an assessment for
27 outstanding deferred taxes resulting from the person temporarily
28 ceasing to use its qualified buildings and qualified machinery and
29 equipment for manufacturing or research and development activities, the

1 number of qualified employment positions falls below the ten percent
2 threshold in this subsection, the amount of deferred taxes outstanding
3 for the project is immediately due.

4 (3) The lessor of an investment project for which a deferral has
5 been granted under this chapter who has passed the economic benefits of
6 the deferral to the lessee is not eligible for relief from the payment
7 of deferred taxes under this section.

8 (4) A person seeking relief from the payment of deferred taxes
9 under this section must apply to the department in a form and manner
10 prescribed by the department. The application required under this
11 subsection must be received by the department within thirty days of the
12 date that the department sent its assessment for outstanding deferred
13 taxes resulting from the person temporarily ceasing to use its
14 qualified buildings and qualified machinery and equipment for
15 manufacturing or research and development activities. The department
16 must approve applications that meet the requirements in this section
17 for relief from the payment of deferred taxes.

18 (5) A person is entitled to relief under this section only once.

19 (6) A person whose application for relief from the payment of
20 deferred taxes has been approved under this section must continue to
21 file an annual survey as required under RCW 82.60.070(1) or any
22 successor statute. In addition, the person must file, in a form and
23 manner prescribed by the department, a report on the status of the
24 business and the outlook for commencing manufacturing or research and
25 development activities."

26 Renumber the remaining sections consecutively and correct any
27 internal references accordingly.

EFFECT: Allows tax deferrals to remain in place for up to two
years during periods of temporary shutdowns. Limited to facilities in
counties with a population of less than 20,000 people if the remaining
labor force at the project is greater than 10 percent of labor force at
the time the deferral was approved by the DOR.

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