

# SENATE BILL REPORT

## SB 5825

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As of February 10, 2009

**Title:** An act relating to modifying the rural county tax credit provided in chapter 82.62 RCW.

**Brief Description:** Modifying the rural county tax credit provided in chapter 82.62 RCW.

**Sponsors:** Senators Brown, King and Kilmer.

**Brief History:**

**Committee Activity:** Agriculture & Rural Economic Development: 2/10/09.

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### SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

**Staff:** Sam Thompson (786-7413)

**Background:** Certain manufacturing, research and development, and computer-related businesses that locate or expand operations in rural counties may qualify for a business and occupation (B&O) tax credit for creating new jobs. For new positions with annual wages and benefits of \$40,000 or less, a \$2,000 credit is authorized. For new positions with annual wages and benefits greater than \$40,000, a \$4,000 credit is authorized. To qualify for the credit, businesses must create a new workforce or expand an existing workforce by a 15 percent average increase over the four calendar quarters after the quarter in which a position was filled.

**Summary of Bill:** Eligibility to qualify for the rural county B&O tax credit is revised by deleting the requirement that a business must expand an existing workforce by a 15 percent average increase over the four calendar quarters after the quarter in which a position was filled. Accordingly, a business need only expand an existing workforce to qualify.

The act applies to applications for credit received by the Department of Revenue on or after January 1, 2010.

**Appropriation:** None.

**Fiscal Note:** Requested on February 5, 2009.

**Committee/Commission/Task Force Created:** No.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Effective Date:** The bill takes effect on January 1, 2010.