H-3802.1

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**HOUSE BILL 2605**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Representatives Young and Eslick

AN ACT Relating to providing a business and occupation tax credit for financial institutions issuing loans to women, minority, and veteran-owned businesses; adding a new section to chapter 82.04 RCW; creating a new section; and providing an effective date.

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

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

(1) In computing the tax imposed under this chapter, a credit is allowed for all taxes paid during the calendar year on interest received by financial institutions for loans issued to women, minority, and veteran-owned businesses.

(2) A person claiming the credit under this section is subject to all the requirements of chapter 82.32 RCW. A credit earned during one calendar year may be carried over to be credited against taxes incurred in the subsequent calendar year, but may not be carried over a second calendar year. Credits carried over must be applied to tax liability before new credits. No refunds may be granted for credits under this section.

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

NEW SECTION. **Sec.**  The provisions of RCW 82.32.805 and 82.32.808 do not apply to section 1 of this act.

NEW SECTION. **Sec.**  This act takes effect July 1, 2020.

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