
ENGROSSED SUBSTITUTE HOUSE BILL 1421

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Finance (originally sponsored by Representatives Sheldon, Foreman, Johnson, Hatfield, Buck, Grant, Schoesler, Chappell, Basich, Kessler, Morris, Skinner, Thompson, Campbell, Costa, Hargrove, Chandler, Mastin, Wolfe and Quall)

Read first time 03/01/95.

1 AN ACT Relating to business incentives for distressed areas;
2 amending RCW 82.62.030; adding a new section to chapter 82.04 RCW;
3 providing an effective date; and declaring an emergency.

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

5 **Sec. 1.** RCW 82.62.030 and 1986 c 116 s 17 are each amended to read
6 as follows:

7 (1) A person shall be allowed a credit against the tax due under
8 chapter 82.04 RCW (~~(of an amount equal to)~~) as provided in this
9 section. For an application approved before January 1, 1996, the
10 credit shall equal one thousand dollars for each qualified employment
11 position directly created in an eligible business project. For an
12 application approved on or after January 1, 1996, the credit shall
13 equal two thousand dollars for each qualified employment position
14 directly created in an eligible business project.

15 (2) The department shall keep a running total of all credits
16 granted under this chapter during each fiscal biennium. The department
17 shall not allow any credits which would cause the tabulation for a
18 biennium to exceed fifteen million dollars. If all or part of an
19 application for credit is disallowed under this subsection, the

1 disallowed portion shall be carried over for approval the next
2 biennium. However, the applicant's carryover into the next biennium is
3 only permitted if the tabulation for the next biennium does not exceed
4 fifteen million dollars as of the date on which the department has
5 disallowed the application.

6 (3) No recipient is eligible for tax credits in excess of three
7 hundred thousand dollars.

8 (4) No recipient may use the tax credits to decertify a union or to
9 displace existing jobs in any community in the state.

10 (5) No recipient may receive a tax credit on taxes which have not
11 been paid during the taxable year.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
13 to read as follows:

14 (1) There may be credited against the tax imposed by this chapter,
15 the value of state-approved, employer-provided or sponsored job
16 training services designed to enhance the job-related performance of
17 employees, for those businesses eligible for a tax deferral under
18 chapter 82.60 RCW.

19 (2) The value of the state-approved, job training services provided
20 by the employer to the employee, without charge, shall be determined by
21 the allocation of the cost method using generally accepted accounting
22 standards.

23 (3) The credit allowed under this section shall be limited to an
24 amount equal to twenty percent of the value of the state-approved, job
25 training services determined under subsection (2) of this section. The
26 total credits allowed under this section for a business shall not
27 exceed five thousand dollars per calendar year.

28 (4) Prior to claiming the credit under this section, the business
29 must obtain approval of the proposed job training service from the
30 employment security department. The employer's request for approval
31 must include a description of the proposed job training service, how
32 the job training will enhance the employee's performance, and the cost
33 of the proposed job training.

34 (5) This section only applies to training in respect to eligible
35 business projects for which an application is approved on or after July
36 1, 1995.

1 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and shall take
4 effect July 1, 1995.

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