
SUBSTITUTE HOUSE BILL 1256

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Veloria, Van Luven, Alexander, Dunn, Sheldon, Blalock, Wolfe, Doumit, Gardner, Ogden, O'Brien, Costa, Conway, Murray, Cody, Linville, Keiser, Mason, Kessler, Chopp and Kenney)

Read first time 02/25/97.

1 AN ACT Relating to incentives for basic skills training; adding a
2 new section to chapter 82.04 RCW; and adding a new section to chapter
3 28C.18 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) There may be credited against the tax imposed by this chapter,
8 the value of state-approved, employer-provided, or employer-sponsored
9 basic skills training, subject to the eligibility standards and
10 limitations set forth in this section.

11 (2) The credit allowed under this section is limited to an amount
12 equal to fifty percent of the qualified cost of the basic skills
13 training determined under subsection (4) of this section. The total
14 credit allowed per employee shall not exceed two thousand two hundred
15 dollars for any calendar year. The total credits allowed under this
16 section for a business shall not exceed ten thousand dollars for any
17 calendar year.

18 (3) The qualified cost of state-approved basic skills training
19 provided by the business to the employee or a qualified training

1 institution on behalf of the business to the employee, without charge,
2 must be determined by the allocation of the cost method using generally
3 accepted accounting standards.

4 (4) Before claiming the credit under this section, the business
5 must submit an application for approval of the proposed basic skills
6 training from the work force training and education coordinating board
7 created under chapter 28C.18 RCW. In developing the approval criteria
8 the work force training and education coordinating board shall consult
9 with the office of adult literacy at the Washington state board for
10 community and technical colleges. The employer's request for approval
11 must include a description of the proposed basic skills training, how
12 the proposed basic skills training will enhance the employee's job
13 performance or increase their opportunity for advancement, and the cost
14 of the proposed basic skills training.

15 (5) The department of revenue shall keep a running total of all
16 credits granted under this section during each calendar year and shall
17 disallow any credits that would cause the total credits for any
18 calendar year to exceed five million dollars. A business whose credit
19 is disallowed under this subsection may carry the credit forward and
20 take the credit during the earliest calendar year or calendar years
21 during which the total of all credits granted under this section does
22 not exceed five million dollars. The department of revenue, in
23 allowing the credit, shall give priority to a business whose credit has
24 been previously disallowed under this subsection over businesses
25 initially claiming the credit under this section.

26 (6) This section applies only to basic skills training for which an
27 application is approved after June 30, 1997.

28 (7) As used in this section:

29 (a) "Basic skills training" means education or training in skills
30 such as reading, writing, critical thinking, English as a second
31 language, mathematics, and beginning computer literacy;

32 (b) "Business" means either a single taxpayer or consortium of two
33 or more taxpayers subject to taxation under this chapter and that has
34 less than fifty employees;

35 (c) "Qualified cost" means either: (i) Amounts paid directly to a
36 qualified training institution to cover the cost of tuition and
37 training materials for basic skills training; or (ii) the cost of basic
38 skills training provided by an employer or a group of two or more
39 employers to employees, without charge, under a signed agreement

1 between the employer and the employee defining the goals and scope of
2 the training; and

3 (d) "Qualified training institution" means a community college,
4 technical college, joint apprenticeship and training committee,
5 nonprofit community-based organization, or private vocational school as
6 defined in RCW 28C.10.020, that is licensed by the work force training
7 and education coordinating board.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 28C.18 RCW
9 to read as follows:

10 The work force training and education coordinating board shall
11 evaluate the results of worker training provided under section 1 of
12 this act and report its findings to the appropriate policy and fiscal
13 committees of the legislature by January 1, 1999, and every two years
14 thereafter. The report shall include, but not be limited to, number of
15 employers that used the tax credit, number of employees that were
16 trained, type of training provided, and how the training enhanced the
17 employers' work force. The department of revenue, the employment
18 security department, the state board for community and technical
19 colleges, and the joint apprenticeship and training committees that are
20 party to contracts for training under section 1 of this act shall
21 provide the work force training and education coordinating board with
22 data required for the evaluation.

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