
HOUSE BILL 1256

State of Washington

55th Legislature

1997 Regular Session

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 01/20/97. Referred to Committee on Trade & Economic Development.

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. The employer's request for approval
8 must include a description of the proposed basic skills training, how
9 the proposed basic skills training will enhance the employee's job
10 performance or increase their opportunity for advancement, and the cost
11 of the proposed basic skills training.

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

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

25 (7) As used in this section:

26 (a) "Basic skills training" means education or training in skills
27 such as reading, writing, critical thinking, English as a second
28 language, mathematics, basic vocational technical training, and
29 computer literacy;

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

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

38 (d) "Qualified training institution" means a community college,
39 technical college, joint apprenticeship and training committee, or

1 private vocational school as defined in RCW 28C.10.020, that is
2 licensed by the work force training and education coordinating board.

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

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

--- END ---