
SUBSTITUTE SENATE BILL 6457

State of Washington

55th Legislature

1998 Regular Session

By Senate Committee on Financial Institutions, Insurance & Housing
(originally sponsored by Senators Winsley, Hale, Long, Kline, Franklin,
Patterson, Thibaudeau, Goings and Oke; by request of Governor Locke)

Read first time 02/05/98.

1 AN ACT Relating to providing business and occupation tax credits
2 for financial institutions making qualified donations for first-time
3 home buyer assistance; adding a new section to chapter 82.04 RCW;
4 adding a new section to chapter 43.180 RCW; creating a new section; and
5 providing an effective date.

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

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

9 (1) A person who meets the definition of financial institution
10 shall be allowed a credit against tax due under this chapter, as
11 provided in this section, for contributing to qualified efforts to
12 expand affordable housing opportunities.

13 (2) "Financial institution" means:

14 (a) Any corporation or other business entity chartered under Title
15 30, 31, 32, or 33 RCW, or registered under the federal bank holding
16 company act of 1956, as amended, or registered as a savings and loan
17 holding company under the federal national housing act, as amended;

18 (b) A national bank organized and existing as a national bank
19 association under the national bank act, 12 U.S.C. Sec. 21 et seq.;

1 (c) A savings association or federal savings bank as defined in the
2 federal deposit insurance act (12 U.S.C. Sec. 1813(b)(1));

3 (d) A bank or thrift institution incorporated or organized under
4 the laws of any state;

5 (e) A corporation organized under 12 U.S.C. Secs. 611 to 631;

6 (f) An agency or branch of a foreign depository as defined in 12
7 U.S.C. Sec. 3101;

8 (g) A credit union; or

9 (h) A production credit association organized under the federal
10 farm credit act of 1933, all of whose stock held by the federal
11 production credit corporation has been retired.

12 (3) Subject to the limitations in this section, the credit shall be
13 equal to the amount of money donated to be used for the public purpose
14 stipulated in subsection (1) of this section. Donations received for
15 that purpose shall be used exclusively for the program implemented
16 under section 2 of this act. The housing finance commission shall
17 process the donations and send the notices in the order donations are
18 received. The housing finance commission shall send a notice of each
19 donation to the donee and to the department of revenue.

20 (4) Tax credits under this section are available on a first-come
21 basis, with priority based on the date and time the notice is received
22 by the department of revenue from the housing finance commission. The
23 department of revenue shall keep a running total of all credits
24 approved and shall immediately notify the housing finance commission
25 when the ten million dollar fiscal year cap under subsection (5) of
26 this section is reached. The housing finance commission shall notify
27 all subsequent donees for the year that no credits are available for
28 the remainder of the fiscal year and that no more applications are
29 being accepted.

30 (5) The total of credits granted under this section shall be no
31 more than ten million dollars of credits each fiscal year. If the
32 amount submitted for a credit in a notice will cause the cap to be
33 exceeded, the department shall give a partial approval of the donation,
34 equal to the amount of remaining credit available for the fiscal year.

35 (6) No applicant is eligible for tax credits under this section in
36 excess of the amount of tax that would otherwise be due under this
37 chapter. Approved credit may not be carried over to subsequent
38 calendar years. The credit must be claimed by the due date of the last

1 tax return for the calendar year in which the payment is made. Any
2 unused credit expires. Refunds shall not be given in place of credits.

3 (7) Tax credits shall not be granted for donations that occurred
4 before the effective date of this section.

5 (8)(a) "First-time home buyer," for the purposes of this section,
6 means a person or household who has not previously owned its own
7 personal residence in the last three years.

8 (b) The program is limited to persons with incomes less than one
9 hundred fifteen percent of the median income of the county in which the
10 home is located or the state median income, whichever is higher.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.180 RCW
12 to read as follows:

13 (1) For the purposes of using the donations received under section
14 1 of this act, the housing finance commission shall implement a program
15 to provide first-time home buyer assistance for down payments or
16 mortgage assistance to qualifying persons. "First-time home buyer" has
17 the same meaning as in section 1 of this act. The housing finance
18 commission may adopt rules as necessary to implement and administer
19 this section.

20 (2) The housing finance commission shall report annually to the
21 governor and the legislature on the number of persons using this
22 program and the amount and form of assistance provided.

23 NEW SECTION. **Sec. 3.** Participation of a qualified public
24 depository in this program contributes toward meeting the credit needs
25 of the communities it serves, under chapter 30.60 RCW for state banks,
26 chapter 32.40 RCW for state savings banks, and the federal community
27 reinvestment act of 1977 for federal savings banks, federal savings and
28 loan associations, and national banks.

29 NEW SECTION. **Sec. 4.** This act takes effect July 1, 1998.

--- END ---