

SENATE BILL REPORT

SB 5860

As Reported By Senate Committee On:
Labor & Workforce Development, March 2, 1999

Title: An act relating to the employment of persons with disabilities.

Brief Description: Increasing employment opportunities for persons with disabilities through the use of tax credits.

Sponsors: Senators Hargrove, Prentice, Long, Winsley, Thibaudeau, Wojahn, Oke and Kohl-Welles.

Brief History:

Committee Activity: Labor & Workforce Development: 2/25/99, 3/2/99 [DPA].

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Fairley, Chair; Franklin, Vice Chair; Hochstatter, Kline, Oke and Wojahn.

Staff: Joanne Conrad (786-7472)

Background: Washington state law currently provides various business and occupation (B&O) tax credits available to employers. Concerns exist regarding how to incentivize employment of persons with disabilities for whom no B&O tax credit currently exists.

Summary of Amended Bill: Employers are provided a B&O tax credit for full or part-time employment of persons with disabilities who are clients of the Division of Vocational Rehabilitation, or for contracting with community rehabilitation programs for a minimum of \$6,000 in goods or services produced by persons with disabilities. The amount of the tax credit is determined by a formula. Employers may appeal decisions regarding determinations of disability to the superior court.

For purposes of the tax credit, "disability" includes any "permanent physical, mental, or sensory disability" that "has made it significantly difficult to engage in and retain gainful employment." The Department of Social and Health Services certifies whether an individual meets the criteria for disability.

Amended Bill Compared to Original Bill: The tax credit is reduced. Only the Division of Vocational Rehabilitation (DSHS) clients with permanent disabilities qualify an employer for the tax credit.

Appropriation: None.

Fiscal Note: Requested on February 23, 1999.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Disabled persons, including the developmentally disabled, need to increase employment. Employers need incentives to hire them.

Testimony Against: Certifying disabilities is a problem for DSHS; the bill needs clarification. DSHS should not have to certify temporary disabilities.

Testified: Jim Ansley, Rehabilitation Enterprises of WA (pro); Jim Eddy, Timberland Opportunities (pro); Janet Adams, ARC of WA (pro); Jeanne Munro, DSHS, DVR (con).