
HOUSE BILL 1565

State of Washington

56th Legislature

1999 Regular Session

By Representatives Veloria, Cairnes, G. Chandler, Clements, Dunshee, Ogden, Rockefeller, Kenney, O'Brien, Wood, Murray, Santos, Hurst, McIntire and Regala

Read first time 01/28/1999. Referred to Committee on Economic Development, Housing & Trade.

1 AN ACT Relating to providing business and occupation tax credits to
2 businesses that provide assistance to qualified first-time home buyers;
3 adding a new section to chapter 82.04 RCW; and adding a new section to
4 chapter 43.180 RCW.

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

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

8 (1) A person subject to taxation under this chapter shall be
9 allowed a credit against tax due under this chapter, as provided in
10 this section, for contributions to an employer-assisted housing program
11 designed to expand affordable housing opportunities for qualified
12 employees.

13 (2) Subject to the limitations in this section, the credit shall be
14 equal to the amount of money provided by the business to be used for
15 the purpose stipulated in subsection (1) of this section. Amounts
16 received for that purpose shall be used exclusively for the program
17 implemented under section 2 of this act. The housing finance
18 commission shall process the amounts and send the notices in the order

1 donations are received. The housing finance commission shall send a
2 notice of each amount to the business and to the department of revenue.

3 (3) Tax credits under this section are available on a first-come
4 basis, with priority based on the date and time the notice is received
5 by the department of revenue from the housing finance commission. The
6 department of revenue shall keep a running total of all credits
7 approved and shall immediately notify the housing finance commission
8 when the two million dollar fiscal year cap under subsection (4) of
9 this section is reached. The housing finance commission shall notify
10 all subsequent businesses for the year that no credits are available
11 for the remainder of the fiscal year and that no more applications are
12 being accepted.

13 (4) The total of credits granted under this section shall be no
14 more than two million dollars of credits each fiscal year. If the
15 amount submitted for a credit in a notice will cause the cap to be
16 exceeded, the department shall give a partial approval of the donation,
17 equal to the amount of remaining credit available for the fiscal year.

18 (5) No applicant is eligible for tax credits under this section in
19 excess of the amount of tax that would otherwise be due under this
20 chapter. Approved credit may not be carried over to subsequent
21 calendar years. The credit must be claimed by the due date of the last
22 tax return for the calendar year in which the payment is made. Any
23 unused credit expires. Refunds shall not be given in place of credits.

24 (6) Tax credits shall not be granted for amounts that occurred
25 before the effective date of this section.

26 (7) For the purpose of this section and section 2 of this act:

27 (a) "Employer-assisted housing" means assistance that is part of
28 the businesses' personnel benefit to nonmanagement workers. These
29 benefits include, but are not limited to group, mortgage origination,
30 closing cost assistance, mortgage guarantees, group mortgage insurance,
31 down payment assistance, mortgage interest rate buy down, and direct
32 cash contribution to qualified employees.

33 (b) "First-time home buyer" means a person or household who has not
34 previously owned its own personal residence in the last three years.

35 (c) "Qualified employee" means a first-time home buyer with an
36 income less than one hundred fifteen percent of the median income of
37 the county in which the home is located or the state median income,
38 whichever is higher.

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

3 (1) The housing finance commission shall implement a program to
4 provide business and occupation tax credits to businesses that
5 administer employer-assisted housing programs for first-time home
6 buyers that are qualified employees. The housing finance commission,
7 in consultation with the department of revenue, shall adopt rules as
8 necessary to implement and administer this section and section 1 of
9 this act.

10 (2) The housing finance commission shall report annually to the
11 governor and the legislature on the number of businesses participating
12 in the program, number of persons using assistance, and the amount and
13 form of assistance provided.

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