
SUBSTITUTE HOUSE BILL 2508

State of Washington

56th Legislature

2000 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Kenney, Carlson, Conway, Hankins, Grant, Delvin, Santos, Dunn, Cox, Dickerson, Lantz, Dunshee, Voloria, Reardon, Cooper, Lovick, Ogden, Ruderman, Linville, Kessler, Regala, Stensen, Constantine, Haigh, Hurst, Keiser, Wolfe and Kagi; by request of Governor Locke)

Read first time 01/28/2000. Referred to Committee on .

1 AN ACT Relating to economic development by improving the skills and
2 productivity of Washington workers; adding new sections to chapter
3 28C.18 RCW; adding a new section to chapter 82.04 RCW; adding a new
4 section to chapter 82.16 RCW; providing an effective date; and
5 providing an expiration 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 28C.18 RCW
8 to read as follows:

9 The board shall create a skills gap program for the purpose of
10 promoting economic development in Washington state by increasing the
11 skills and productivity of Washington workers. The program shall be
12 used to create partnerships with business, labor, and the work force
13 employment and training system to close the skills gap in Washington
14 state. The grants shall be provided to local work force development
15 councils, economic development councils, community colleges, or
16 technical colleges to convene public-private partnerships that include
17 businesses, labor organizations, industry associations, public two-year
18 colleges, employment and training providers, local work force
19 development councils, and economic development councils for the purpose

1 of determining the future employment and training needs in high-demand
2 industries and occupations to:

3 (1) Identify or develop the programs that meet the employment and
4 training needs defined by the above industry partnerships;

5 (2) Expand the use of industry-defined skill standards and
6 customized training designed to meet the specific needs of business;

7 (3) Upgrade the skills of existing workers; and

8 (4) Support increased use of on-the-job learning strategies among
9 small and medium-sized enterprises.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
11 to read as follows:

12 (1) A person whose application has been approved by the department
13 under this section may take a credit against the tax imposed by this
14 chapter, subject to the limitations in this section.

15 (2)(a) The credit under this section is equal to fifty percent of
16 work force training payments. A person may not receive credit for work
17 force training payments over five thousand dollars per employee per
18 calendar year. A person is not eligible to receive a total credit in
19 excess of one hundred thousand dollars for each calendar year.

20 (b) As a precondition to approval by the department under
21 subsection (4) of this section, the person must have entered into a
22 training contract with a public or private accredited training
23 institution. The work force training and education coordinating board
24 shall provide a list of accredited institutions to interested persons
25 and to the department.

26 (c) Training credits are limited to expenditures made to upgrade
27 the skills of the employer's existing work force.

28 (3) For the purposes of this section:

29 (a) "Employer" means the same as "person" as defined in RCW
30 82.04.030; and

31 (b) "Work force training payments" means the direct payments for
32 employees in job classes covered by the federal fair labor standards
33 act and made under a contract with a public or private accredited
34 training institution for technical or skill training, including basic
35 skills. The term includes amounts in the contract for instruction,
36 materials, equipment, rental of class space, marketing, and overhead.
37 "Work force training payments" do not include employee tuition

1 reimbursements, unless the tuition reimbursement is specifically
2 included in a contract under subsection (2)(b) of this section.

3 (4) Application for credits under this section shall be made to the
4 department in a form and manner prescribed by the department. The
5 application shall include an affidavit form regarding the person's
6 compliance with this section. The department shall approve or deny an
7 application for credits using the criteria under this section. The
8 department shall require the person receiving approval to keep any
9 records necessary for the department to verify eligibility under this
10 section. A person shall apply for the credit after making a payment.
11 Tax credit applications shall not be approved for work force training
12 payments that occurred before the effective date of this act.

13 (5) Employers participating in the partnerships defined in section
14 1 of this act shall apply for the tax credit upon receiving the grants
15 described in section 1 of this act. Any funds remaining after those
16 tax credits are granted shall be available to other employers on a
17 first-come basis, with priority based on the date and time the
18 application is received by the department. The total amount of credits
19 granted under this section and section 3 of this act shall be no more
20 than one million dollars each fiscal year. If the amount submitted for
21 a credit will cause the cap to be exceeded, the department shall give
22 a partial approval of the application, equal to the amount of remaining
23 credit available for the fiscal year.

24 (6) If an employer has tax credits in excess of the amount of tax
25 that would otherwise be due under this chapter, they may carry forward
26 the tax credit for up to five years. Refunds shall not be given in
27 place of credits.

28 (7) If a person has used a payment to obtain a credit against tax
29 due under chapter 82.16 RCW, the person may not use the same payment
30 credit for tax due under this chapter.

31 (8) A person who takes credits under RCW 82.04.4333 may not take a
32 credit under this section for the same training.

33 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.16 RCW
34 to read as follows:

35 The tax credit program under section 2 of this act is available to
36 persons for taxes due under this chapter. If a person has used a
37 payment to obtain a credit against taxes due under chapter 82.04 RCW,
38 the person may not use the same payment for tax due under this chapter.

1 A person who takes credits under RCW 82.04.4333 may not take a credit
2 under this section for the same training.

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

5 The board shall review the impact of tax credits provided under
6 sections 2 and 3 of this act by September 1, 2002, and report to the
7 legislature as to its effectiveness in expanding the amount of
8 incumbent worker training in Washington state.

9 NEW SECTION. **Sec. 5.** This act takes effect July 1, 2000.

10 NEW SECTION. **Sec. 6.** This act expires June 30, 2003.

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