

2260-S

Sponsor(s): House Committee on Finance (originally sponsored by Representatives Eickmeyer, Alexander, Mulliken, Kessler, McMorris, Grant, Parlette, Doumit, Clements, Linville, Mielke, Koster, DeBolt, Cox, Pennington, Dunn, Crouse, Sump, Ericksen, Voloria, Mastin, Hankins, Murray, Van Luven, Skinner, Schoesler, Hatfield, Conway, Kenney, Rockefeller, Thomas, Lantz, Barlean and Haigh)

Brief Title: Promoting the creation and the retention of jobs.

**HB 2260-S.E - DIGEST**

(DIGEST AS ENACTED)

Promotes the creation and the retention of jobs.

Finds that while Washington's economy is currently prospering, economic growth continues to be uneven, particularly as between metropolitan and rural areas. This has created in effect two Washingtons: One afflicted by inadequate infrastructure to support and attract investment, another suffering from congestion and soaring housing prices. In order to address these problems, the legislature intends to use resources strategically to build on our state's strengths while addressing threats to our prosperity.

Revises local option sales and use tax for rural counties.

Declares an intent of the legislature to attract and retain technology-based businesses in rural counties. Section 302 of this act provides a tax incentive to those businesses that develop or manufacture software and hardware in rural counties. Section 303 of this act provides a tax incentive to those businesses that are engaged in the business of providing technical support services from rural counties. Encouragement of these types of business will stimulate the information technology industry and be of benefit to the state economy in general. To further the impact and benefit of this program, this incentive is limited to those counties of the state that are characterized by unemployment or low income.

Declares that, subject to the limits and provisions of this act, a credit is authorized against the tax otherwise due under chapter 82.04 RCW for persons engaged in a rural county in the business of providing information technology help desk services to third parties.

Finds that it is necessary to employ multiple approaches to revitalize the economy of Washington state's rural areas.

Finds that where possible, Washington state should develop programs which can complement other private, state, and federal programs. It is the intent of section 402 of this act to complement such rural economic development efforts by creating a public utility tax offset program to help establish locally based electric utility revolving fund programs to be used for economic development and job creation.

Declares that the tax levied by RCW 82.08.020 shall not apply to sales of labor and services rendered in respect to: (1) The moving of houses out of any landslide area that has been declared as a federal disaster area;

(2) the demolition of houses located in a landslide area that

has been declared as a federal disaster area; or

(3) the removal of debris from a landslide area that has been declared as a federal disaster area.

Expires July 1, 2000.

Repeals RCW 82.60.045 and 82.60.047.