

SENATE BILL REPORT

SB 6651

As Reported By Senate Committee On:
Economic Development & Telecommunications, February 5, 2002

Title: An act relating to extending a tax credit for persons engaged in a rural county in the business of providing information technology help desk services to third parties.

Brief Description: Extending a tax credit for persons engaged in a rural county in the business of providing information technology help desk services to third parties.

Sponsors: Senators T. Sheldon, Stevens, McCaslin and Hochstatter.

Brief History:

Committee Activity: Economic Development & Telecommunications: 2/5/02 [DP-WM].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TELECOMMUNICATIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators T. Sheldon, Chair; B. Sheldon, Vice Chair; Finkbeiner, McCaslin, Rossi and Stevens.

Staff: Kim Johnson (786-7486)

Background: A B&O tax credit is offered to businesses that provide information technology help desk services to third parties in a rural county. A rural county is defined as a county with a population density of less than 100 persons per square mile. The credit equals 100 percent of the business and occupation tax which is attributable to providing the services to the rural county. The tax credit ends on December 31, 2003.

Summary of Bill: The B&O tax credit expiration date for information technology service companies who provide "help desk" services to third parties in a rural county is extended to July 1, 2007.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Technology "help desk" services improve the environment for economic development in rural counties. It is expensive to operate a technology based business in a rural county because of the costs associated with workforce training and infrastructure construction. This credit helps to alleviate some of the costs and is vital to the economic survival of technology companies located in rural counties.

Testimony Against: None.

Testified: Brian Sterling, Safe Harbor Tech Corp.; Bo Wandell, Safe Harbor Tech Corp.