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SECOND SUBSTITUTE SENATE BILL 6532

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State of Washington 57th Legislature

2002 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Fairley, Franklin, Keiser, Gardner, Kohl-Welles, Fraser, Kline, Poulsen and Thibaudeau)

READ FIRST TIME 02/14/2002.

1 AN ACT Relating to business incentive disclosure; adding new  
2 sections to chapter 82.32 RCW; adding a new section to chapter 82.04  
3 RCW; adding new sections to chapter 82.08 RCW; adding new sections to  
4 chapter 82.12 RCW; adding a new section to chapter 82.60 RCW; adding a  
5 new section to chapter 82.62 RCW; adding a new section to chapter 82.63  
6 RCW; and creating a new section.

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

8 NEW SECTION. **Sec. 1.** The definitions in this section apply  
9 throughout sections 1 through 12 of this act unless the context clearly  
10 requires otherwise.

11 (1) "Business incentive" or "incentive" means a tax credit, tax  
12 deferral, or tax exemption taken by or provided to a recipient under:

13 (a) Chapter 82.60, 82.62, or 82.63 RCW; or

14 (b) RCW 82.04.4452, 82.04.44525, 82.04.4456, 82.04.4457,  
15 82.08.02565, 82.08.820, 82.12.02565, or 82.12.820.

16 (2) "Employee benefits" means employer-provided health or medical  
17 insurance, vacation or sick leave, and pension or retirement benefits.

18 (3) "Recipient" means any for-profit business entity that receives  
19 a business incentive.

1 (4) "Wage bands" means the following five groupings of wage rates:  
2 (a) Up to state minimum wage plus two dollars per hour; (b) between  
3 state minimum wage plus two dollars and one cent to state minimum wage  
4 plus four dollars per hour; (c) between state minimum wage plus four  
5 dollars and one cent to state minimum wage plus six dollars per hour;  
6 (d) between state minimum wage plus six dollars and one cent to state  
7 minimum wage plus eight dollars per hour; (e) between state minimum  
8 wage plus eight dollars and one cent to state minimum wage plus ten  
9 dollars; and (f) greater than state minimum wage plus ten dollars per  
10 hour.

11 NEW SECTION. **Sec. 2.** (1) A recipient who during a calendar year  
12 has taken an exemption, credit, or deferral identified as a business  
13 incentive in this act must report as required by this section.

14 (2) The department of revenue shall collect information on the  
15 exemption under RCW 82.08.02565 and 82.12.02565 using a statistical  
16 sampling of recipients, rather than by a recipient report under  
17 subsection (1) of this section.

18 (3) The department of revenue shall develop a business incentive  
19 disclosure statement and make it available electronically and in paper  
20 form and shall provide a copy to all affected recipients.

21 (4) The department may request information necessary for the  
22 legislature to evaluate the effectiveness of the business incentives,  
23 such as the value of the incentive, net new jobs created as a result of  
24 the incentive, and the average hourly wages of net new jobs created.

25 (5)(a) The department of revenue shall provide a business incentive  
26 disclosure report to the appropriate committees of the legislature by  
27 September 1st of each year and shall post a copy of the report on the  
28 department web site.

29 (b) The report shall include a compilation and a summary of the  
30 data gathered under this section. In addition, the report shall  
31 include a breakdown of the data by geographic area and by industry, as  
32 well as wage bands, benefits, job classification, and hiring levels.  
33 After September 1, 2004, the report shall include a section comparing  
34 the data over time.

35 (c) The report shall also include specific recommendations on  
36 whether the definition of business incentives identified in section 1  
37 of this act should be expanded or contracted based on the department's  
38 experience in producing the report and based on changes in statutes.

1 (6) The confidentiality provisions of RCW 82.32.330 do not apply to  
2 the business incentive disclosure statement received by the department  
3 of revenue under this section or to any survey data gathered under this  
4 section and the business incentive disclosure statement and any data  
5 may be disclosed to the public.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8 In addition to any other reporting requirements under this chapter,  
9 a recipient taking a credit under RCW 82.04.4452, 82.04.44525,  
10 82.04.4456, or 82.04.4457 must complete and return the business  
11 incentive disclosure statement in section 2 of this act to the  
12 department of revenue by March 1st of each year. As used in this  
13 section, "recipient" has the same meaning as in section 1 of this act.

14 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.08 RCW  
15 to read as follows:

16 In addition to any other reporting requirements under RCW  
17 82.08.820, a recipient taking the exemption under RCW 82.08.820 must  
18 complete and return the business incentive disclosure statement in  
19 section 2 of this act to the department of revenue by March 1st of each  
20 year. As used in this section, "recipient" has the same meaning as in  
21 section 1 of this act.

22 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.08 RCW  
23 to read as follows:

24 In addition to any other reporting requirements under RCW  
25 82.08.02565, a recipient taking the exemption as under RCW 82.08.02565  
26 must, if asked in writing by the department of revenue, participate in  
27 a statistical sampling conducted under section 2 of this act. As used  
28 in this section, "recipient" has the same meaning as in section 1 of  
29 this act.

30 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.12 RCW  
31 to read as follows:

32 In addition to any other reporting requirements under RCW  
33 82.12.820, a recipient taking the exemption under RCW 82.12.820 must  
34 complete and return the business incentive disclosure statement in  
35 section 2 of this act to the department of revenue by March 1st of each

1 year. As used in this section, "recipient" has the same meaning as in  
2 section 1 of this act.

3 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.12 RCW  
4 to read as follows:

5 In addition to any other reporting requirements under RCW  
6 82.12.02565, a recipient taking the exemption as a credit under RCW  
7 82.12.02565 must, if asked in writing by the department of revenue,  
8 participate in a statistical sampling conducted under section 2 of this  
9 act. As used in this section, "recipient" has the same meaning as in  
10 section 1 of this act.

11 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.60 RCW  
12 to read as follows:

13 In addition to any other requirements under this chapter, a  
14 recipient participating in the deferral program under this chapter must  
15 complete and return the business incentive disclosure statement in  
16 section 2 of this act to the department of revenue by March 1st of each  
17 year. As used in this section, "recipient" has the same meaning as in  
18 section 1 of this act.

19 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.62 RCW  
20 to read as follows:

21 In addition to any other requirements under this chapter, a  
22 recipient taking the credit under this chapter must complete and return  
23 the business incentive disclosure statement in section 2 of this act to  
24 the department of revenue by March 1st of each year. As used in this  
25 section, "recipient" has the same meaning as in section 1 of this act.

26 NEW SECTION. **Sec. 10.** A new section is added to chapter 82.63 RCW  
27 to read as follows:

28 In addition to any other requirements under this chapter, a  
29 recipient participating in the deferral program under this chapter must  
30 complete and return the business incentive disclosure statement in  
31 section 2 of this act to the department of revenue by March 1st of each  
32 year. As used in this section, "recipient" has the same meaning as in  
33 section 1 of this act.

1        NEW SECTION.   **Sec. 11.**   Sections 1 and 2 of this act are each added  
2 to chapter 82.32 RCW.

3        NEW SECTION.   **Sec. 12.**   This act applies to all business incentives  
4 granted, received, or taken during calendar year 2002 and thereafter.

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