

SENATE BILL REPORT

SB 5650

As Reported By Senate Committee On:
Economic Development, February 19, 2003

Title: An act relating to extending expiration dates on tax credits, exemptions, and deferrals.

Brief Description: Extending expiration dates on tax credits, exemptions, and deferrals.

Sponsors: Senators T. Sheldon, Benton, Finkbeiner, Johnson and Schmidt.

Brief History:

Committee Activity: Economic Development: 2/14/03, 2/19/03 [DP-WM].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

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

Signed by Senators T. Sheldon, Chair; Zarelli, Vice Chair; Benton, Hale, Rossi and Schmidt.

Staff: Jack Brummel (786-7428)

Background: A number of state tax incentives are expiring over the next two years. The incentives expiring in 2003 are: 1) the business and occupation (B&O) tax credit in rural counties for information technology help desk services; 2) the B&O tax credit in rural counties for software programming or manufacturing; and 3) the sales tax exemption and B&O tax rate reduction for environmental remedial action.

The incentives expiring in 2004 are: 1) the B&O tax credit for research and development spending; 2) the sales tax deferral and exemption for research and development by high technology businesses; 3) the B&O tax credit and the public utility tax exemption for small water systems; and 4) the sales tax deferral/exemption in rural counties for manufacturing, research and development projects.

Summary of Bill: The expiration dates for state tax incentives that expire in 2003 and 2004 are extended for four additional years.

Appropriation: None.

Fiscal Note: Requested on February 12, 2003.

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

Testimony For: This bill includes the environmental clean-up incentive that is important to port districts that own or acquire industrial properties that need to be cleaned up. These various incentives are used in rural areas and urban areas and help in attracting businesses. The water systems program has been very helpful.

Testimony Against: None.

Testified: PRO: Scott Taylor, WA Public Ports Assn.; Ron Newbry, WA Economic Dev. Assn.; Michael Tracy, Grays Harbor EDC; Joe Daniels, WA Assn. of Sewer and Water Districts.