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**SUBSTITUTE SENATE BILL 5313**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** Senate Agriculture, Water & Rural Economic Development (originally sponsored by Senators Warnick, Fraser, Angel, Rolfes, Cleveland, Brown, and Parlette)

READ FIRST TIME 02/11/15.

1 AN ACT Relating to increasing the total amount of tax credits  
2 allowed under the Washington main street program; amending RCW  
3 82.73.030; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** This section is the tax preference  
6 performance statement for the tax preference contained in section 2  
7 of this act. This performance statement is only intended to be used  
8 for subsequent evaluation of the tax preference. It is not intended  
9 to create a private right of action by any party or be used to  
10 determine eligibility for preferential tax treatment.

11 (1) The legislature categorizes this tax preference as one  
12 intended to promote contributions to main street programs and to  
13 enhance community and economic revitalization and development of main  
14 street business districts under categories as indicated in RCW  
15 82.32.808(2) (a) and (f).

16 (2) It is the legislature's specific public policy objective to  
17 support and work in concert with main street programs to accomplish  
18 community and economic revitalization of business districts as  
19 specified in RCW 43.360.005. It is the legislature's intent to  
20 provide tax credits to businesses in main street communities to  
21 promote contributions to such programs as provided in RCW 82.73.030,

1 in order to maintain the economic viability of rural downtown areas  
2 (main streets), thereby ensuring the growth and retention of small  
3 businesses in rural communities.

4 (3) If a review finds that the number of small businesses that  
5 are a part of the main street communities have increased or stayed  
6 the same, then the legislature intends to extend the expiration date  
7 of the tax preference.

8 (4) In order to obtain the data necessary to perform the review  
9 in subsection (3) of this section, the joint legislative audit and  
10 review committee may refer to data collected by the department of  
11 archaeology and historic preservation.

12 **Sec. 2.** RCW 82.73.030 and 2005 c 514 s 904 are each amended to  
13 read as follows:

14 (1) Subject to the limitations in this chapter, a credit is  
15 allowed against the tax imposed by chapters 82.04 and 82.16 RCW for  
16 approved contributions that are made by a person to a program or the  
17 main street trust fund.

18 (2) The credit allowed under this section is limited to an amount  
19 equal to:

20 (a) Seventy-five percent of the approved contribution made by a  
21 person to a program; or

22 (b) Fifty percent of the approved contribution made by a person  
23 to the main street trust fund.

24 (3) The department may not approve credit with respect to a  
25 program in a city or town with a population of one hundred ninety  
26 thousand persons or more.

27 (4) The department (~~shall~~) must keep a running total of all  
28 credits approved under this chapter for each calendar year. The  
29 department (~~shall~~) may not approve any credits under this section  
30 that would cause the total amount of approved credits statewide to  
31 exceed (~~one~~) three million (~~five hundred thousand~~) dollars in any  
32 calendar year.

33 (5) The total credits allowed under this chapter for  
34 contributions made to each program may not exceed (~~one~~) two hundred  
35 thousand dollars in a calendar year. The total credits allowed under  
36 this chapter for a person may not exceed (~~two hundred fifty~~) five  
37 hundred thousand dollars in a calendar year.

38 (6) The credit may be claimed against any tax due under chapters  
39 82.04 and 82.16 RCW only in the calendar year immediately following

1 the calendar year in which the credit was approved by the department  
2 and the contribution was made to the program or the main street trust  
3 fund. Credits may not be carried over to subsequent years. No refunds  
4 may be granted for credits under this chapter.

5 (7) The total amount of the credit claimed in any calendar year  
6 by a person may not exceed the lesser amount of the approved credit,  
7 or seventy-five percent of the amount of the contribution that is  
8 made by the person to a program and fifty percent of the amount of  
9 the contribution that is made by the person to the main street trust  
10 fund, in the prior calendar year.

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