
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2396

State of Washington

65th Legislature

2018 Regular Session

By House Finance (originally sponsored by Representatives Reeves, Robinson, Kagi, Valdez, Doglio, Riccelli, and Stonier)

READ FIRST TIME 02/06/18.

1 AN ACT Relating to establishing the working families' child care
2 access and affordability through regional employers act; amending RCW
3 43.330.060; adding new sections to chapter 43.216 RCW; adding a new
4 section to chapter 82.04 RCW; adding a new section to chapter 82.16
5 RCW; creating new sections; providing a contingent effective date;
6 and providing an expiration date.

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

8 NEW SECTION. **Sec. 1.** (1) The legislature finds that high
9 quality child care helps build foundational skills to prepare our
10 children for the future. These skills strengthen the next generation
11 of workers and contribute to the success of businesses and the
12 economic well-being of our state.

13 (2) The legislature further finds that working families are
14 experiencing an affordability crisis when it comes to caring for
15 their young children. Child care is one of the largest household
16 expenses for most families, with the cost all too often being too
17 much for a family to manage. At the same time, child care providers
18 and private businesses across all sectors are facing a workforce
19 shortage and are reporting worker losses due to extended vacancies,
20 absenteeism, and a shortage of skilled workers. To remain in the
21 workforce, parents with young children need reliable child care to be

1 able to improve their skills through education, resulting in retained
2 employment and increased productivity. A recent report by the United
3 States chamber of commerce foundation found that high quality child
4 care is an under-recognized and promising strategy for addressing
5 America's growing workforce crisis.

6 (3) The legislature also finds that the bureau of labor
7 statistics reports less than forty percent of the workforce is
8 offered dependent care flexible spending accounts by their employers.
9 Further, the legislature finds that employees with higher wages and
10 those working for larger employers are more likely to have access to
11 this benefit.

12 (4) Therefore, the legislature intends to partner with private
13 employers to implement and support strategies to increase access to
14 quality child care and early learning opportunities, preparing
15 children for school and supporting parents as productive members of
16 the workforce.

17 (5) The legislature further intends to create a pilot program
18 with small businesses that increases the affordability of child care
19 for working families by providing meaningful incentives for employers
20 to contribute to the child care costs of their employees. If the
21 pilot program is successful, the legislature intends to expand the
22 incentive to additional employers.

23 **Part I**

24 **Employer Supported Child Care**

25 NEW SECTION. **Sec. 101.** A new section is added to chapter 43.216
26 RCW to read as follows:

27 (1) The department must consult with the department of commerce
28 to develop a web site containing current resources for businesses
29 regarding employer-supported child care. The web site must be
30 available to the public within one year of the effective date of this
31 section and must be updated regularly. Web site resources must
32 include, at a minimum:

33 (a) Information about the benefits to employers and employees
34 associated with employer-supported child care;

35 (b) Guidance for the provision of on-site care at the workplace,
36 including permitting and licensing resources to facilitate the
37 development and construction of child care facilities;

1 (c) Tools and guidance for the provision of financial assistance
2 to employees for child care expenses;

3 (d) A model policy for the establishment of a "bring your infant
4 to work" program for employees who are the parent or legal guardian
5 of an infant up to six months of age; and

6 (e) A link to a licensed child care registry developed and
7 maintained by a professional organization of child care providers
8 jointly with participating employers.

9 (2) The department must consult with the office of financial
10 management to modify the "bring your infant to work" policy
11 established in this section for use in state agencies.

12 (3) In accordance with RCW 43.01.036 the department must submit a
13 report to the governor and the appropriate committees of the
14 legislature by November 1, 2020. The report must include a summary of
15 the resources provided on the site created under subsection (1) of
16 this section and information about activities undertaken by other
17 states related to incentivizing businesses to provide employer-
18 supported child care.

19 (4) For the purposes of this section, "employer-supported child
20 care" means:

21 (a) A licensed child care center operated at or near the
22 workplace by an employer for the benefit of employees; or

23 (b) Financial assistance provided by an employer for licensed
24 child care expenses incurred by an employee.

25 **Sec. 102.** RCW 43.330.060 and 2010 c 165 s 2 are each amended to
26 read as follows:

27 (1) The department shall (a) assist in expanding the state's role
28 as an international center of trade, culture, and finance; (b)
29 promote and market the state's products and services both nationally
30 and internationally; (c) work in close cooperation with other private
31 and public international trade efforts; (d) act as a centralized
32 location for the assimilation and distribution of trade information;
33 and (e) establish and operate foreign offices promoting overseas
34 trade and commerce.

35 (2) The department shall identify and work with Washington
36 businesses that can use local, state, and federal assistance to
37 increase domestic and foreign exports of goods and services.

38 (3) The department shall work generally with small businesses and
39 other employers to facilitate resolution of siting, regulatory,

1 expansion, and retention problems. This assistance shall include but
2 not be limited to assisting in workforce training and infrastructure
3 needs, identifying and locating suitable business sites, and
4 resolving problems with government licensing and regulatory
5 requirements. The department shall identify gaps in needed services
6 and develop steps to address them including private sector support
7 and purchase of these services.

8 (4) The department shall work to increase the availability of
9 capital to small businesses by developing new and flexible investment
10 tools; by assisting in targeting and improving the efficiency of
11 existing investment mechanisms; and by assisting in the procurement
12 of managerial and technical assistance necessary to attract potential
13 investors.

14 (5) The department shall assist women and minority-owned
15 businesses in overcoming barriers to entrepreneurial success. The
16 department shall contract with public and private agencies,
17 institutions, and organizations to conduct entrepreneurial training
18 courses for minority and women-owned businesses. The instruction
19 shall be intensive, practical training courses in financing,
20 marketing, managing, accounting, and recordkeeping for a small
21 business, with an emphasis on federal, state, local, or private
22 programs available to assist small businesses. Instruction shall be
23 offered in major population centers throughout the state at times and
24 locations that are convenient for minority and women small business
25 owners.

26 ~~(6)((a) Subject to the availability of amounts appropriated for~~
27 ~~this specific purpose, by December 1, 2010, the department, in~~
28 ~~conjunction with the small business development center, must prepare~~
29 ~~and present to the governor and appropriate legislative committees a~~
30 ~~specific, actionable plan to increase access to capital and technical~~
31 ~~assistance to small businesses and entrepreneurs beginning with the~~
32 ~~2011-2013 biennium. In developing the plan, the department and the~~
33 ~~center may consult with the Washington state microenterprise~~
34 ~~association, and with other government, nonprofit, and private~~
35 ~~organizations as necessary. The plan must identify:~~

36 ~~(i) Existing sources of capital and technical assistance for~~
37 ~~small businesses and entrepreneurs;~~

38 ~~(ii) Critical gaps and barriers to availability of capital and~~
39 ~~delivery of technical assistance to small businesses and~~
40 ~~entrepreneurs;~~

1 ~~(iii) Workable solutions to filling the gaps and removing~~
2 ~~barriers identified in (a)(ii) of this subsection; and~~

3 ~~(iv) The financial resources and statutory changes necessary to~~
4 ~~put the plan into effect beginning with the 2011-2013 biennium.~~

5 ~~(b) With respect to increasing access to capital, the plan must~~
6 ~~identify specific, feasible sources of capital and practical~~
7 ~~mechanisms for expanding access to it.~~

8 ~~(c) The department and the center must include, within the~~
9 ~~analysis and recommendations in (a) of this subsection, any specific~~
10 ~~gaps, barriers, and solutions related to rural and low-income~~
11 ~~communities and small manufacturers interested in exporting.)) The~~
12 ~~department must assist businesses with identifying resources for the~~
13 ~~provision of employer-supported child care as defined in section 101~~
14 ~~of this act and conduct outreach to businesses located in rural and~~
15 ~~underserved areas about the incentives in sections 302 and 303 of~~
16 ~~this act.~~

17 NEW SECTION. **Sec. 103.** The office of financial management must:

18 (1) Consult with the department of children, youth, and families
19 to modify the model policy developed under section 101 of this act as
20 appropriate for implementation at state agencies; and

21 (2) Provide the model policy and implementation guidelines to
22 state agency directors by December 1, 2018. The implementation
23 guidelines must require agencies to adopt the policy by June 1, 2019,
24 and allow agencies to modify the policy or limit its application as
25 appropriate based on the working conditions and job duties of agency
26 personnel.

27 (3) This section expires July 1, 2019.

28 **Part II**

29 **Child Care Workforce Conditional Scholarship and Loan Repayment** 30 **Program**

31 NEW SECTION. **Sec. 201.** A new section is added to chapter 43.216
32 RCW to read as follows:

33 The definitions in this section apply throughout this part unless
34 the context clearly requires otherwise.

35 (1) "Conditional scholarship" means a loan that is given to an
36 eligible student under an agreement in which the eligible student
37 will be relieved of his or her obligation to repay all or part of the

1 loan in exchange for his or her providing early learning services in
2 the state of Washington and meeting all other requirements of the
3 agreement.

4 (2) "Early learning services" has the same meaning as "early
5 learning" as defined in RCW 43.216.010.

6 (3) "Eligible student" means a student who is registered for at
7 least three credit hours or the equivalent, is a resident student as
8 defined by RCW 28B.15.012(2) and 28B.15.013, and has a declared
9 intention to complete an approved program of study and provide early
10 learning services in the state of Washington and meet all other
11 requirements under a conditional scholarship agreement entered into
12 between the student and the department.

13 (4) "Equalization fee" means the additional amount added to the
14 principal of a loan under this chapter to equate the debt to that
15 which the student would have incurred if the loan had been received
16 through the federal direct Stafford student loan program.

17 (5) "Institution of higher education" or "institution" means a
18 college or university in the state of Washington that is accredited
19 by an accrediting association recognized as such by rule of the
20 student achievement council.

21 (6) "Loan repayment" means a student loan that is repaid in whole
22 or in part if the recipient renders early learning services in the
23 state under requirements of an agreement entered into under this
24 chapter.

25 (7) "Participant" means an individual who has received a
26 conditional scholarship or loan repayment under this chapter.

27 (8) "Rural and underserved area" means an area where credentialed
28 early learning providers are in short supply, as determined by the
29 department of children, youth, and families.

30 (9) "Satisfied" means paid in full.

31 (10) "Service obligation" means an obligation by the participant
32 to provide early learning services for a period to be established as
33 provided for in this chapter.

34 NEW SECTION. **Sec. 202.** A new section is added to chapter 43.216
35 RCW to read as follows:

36 (1) The child care workforce conditional scholarship and loan
37 repayment program is established. The program is comprised of the
38 following two components:

1 (a) Conditional scholarships awarded to eligible students
2 attending an institution of higher education who meet the
3 requirements established under this chapter; and

4 (b) Loan repayments for participants providing early learning
5 services in the state and who meet the requirements for loan
6 repayment established under this chapter.

7 (2) The program must be administered by the department of
8 children, youth, and families. In administering the program, the
9 department must:

10 (a) Select eligible students to be awarded conditional
11 scholarships;

12 (b) Select participants to receive loan repayments;

13 (c) Adopt rules and develop guidelines to administer the program;

14 (d) Publicize the program, particularly to maximize participation
15 among individuals in shortage areas and among populations expected to
16 experience the greatest growth in the workforce;

17 (e) Collect and manage repayments from conditional scholarship
18 participants who do not meet their required service obligations or
19 otherwise fail to meet the requirements under their agreements; and

20 (f) Solicit and accept grants and donations from public and
21 private sources for the program.

22 NEW SECTION. **Sec. 203.** A new section is added to chapter 43.216
23 RCW to read as follows:

24 (1) The department must establish a planning committee to assist
25 in developing criteria for the selection of participants. Planning
26 committee members must include representatives of the department of
27 social and health services; the department of children, youth, and
28 families; private business; child day care center providers; family
29 day care providers; and a union representing child care providers.

30 (2) When selecting participants, the department must give
31 priority to individuals providing early learning services in:

32 (a) Rural and underserved areas; and

33 (b) Low-income neighborhoods or in a low-income child care
34 provider settings as defined in RCW 43.216.010.

35 NEW SECTION. **Sec. 204.** A new section is added to chapter 43.216
36 RCW to read as follows:

37 To receive disbursements from a conditional scholarship under
38 this chapter, an eligible student must be considered by his or her

1 institution of higher education to be in a satisfactory progress
2 condition, in addition to any other requirements established in an
3 agreement between the eligible student and the department.

4 NEW SECTION. **Sec. 205.** A new section is added to chapter 43.216
5 RCW to read as follows:

6 (1) The department may award conditional scholarships or provide
7 loan repayments to eligible participants from private donations, or
8 any other funds given to the department for this program.

9 (2) The amount of the conditional scholarship or loan repayment
10 awarded a participant must not exceed five thousand dollars per year
11 for priority participants and must not exceed two thousand, five
12 hundred dollars per year for all other participants. Participants are
13 eligible to receive conditional scholarships or loan repayments for a
14 maximum of six years.

15 NEW SECTION. **Sec. 206.** A new section is added to chapter 43.216
16 RCW to read as follows:

17 (1) Upon documentation of student loan indebtedness, the
18 department may enter into agreements with participants to repay all
19 or part of a student loan in exchange for the participant providing
20 early learning services in the state of Washington and meeting all
21 other requirements under the agreement.

22 (2) The agreement must specify in detail the obligations of the
23 department and the participant, including the amount of loan
24 repayment the participant will receive in exchange for his or her
25 satisfying all requirements of the agreement and any geographic
26 location or area of service requirements that are part of the
27 agreement.

28 (3)(a) At the end of each year, a participant under this section
29 must provide evidence to the department that the participant has met
30 his or her service obligation and any other requirements under the
31 agreement. Upon receipt of the evidence, the department must pay the
32 participant the agreed-upon amount for one year of full-time service
33 or a prorated amount for less than full-time service.

34 (b) To qualify for additional loan repayments, the participant
35 must be engaged in continuous service as defined by the department
36 and meet any other requirements established in the agreement.

1 (4) The department may, at its discretion, arrange to make the
2 loan repayment directly to the holder of the participant's student
3 loan.

4 (5) The department's obligations to a participant under this
5 section ceases when:

6 (a) The terms of the agreement have been fulfilled;

7 (b) The participant fails to maintain continuous service as
8 determined by the department or otherwise fails to fulfill any other
9 term of the agreement; or

10 (c) The participant's student loans that are subject to the
11 agreement have been repaid.

12 (6) The department must adopt rules governing loan repayments,
13 including approved leaves of absence from continuous service and
14 other deferments as may be necessary.

15 NEW SECTION. **Sec. 207.** A new section is added to chapter 43.216
16 RCW to read as follows:

17 (1) A participant in the conditional scholarship program is
18 obligated to repay the conditional scholarship, with interest and an
19 equalization fee, unless he or she renders early learning services
20 for each year of scholarship received and meets all other
21 requirements as provided under the agreement between the participant
22 and the department.

23 (2) A participant who fails to complete the required service
24 obligation or otherwise fails to fulfill the terms of the agreement
25 will incur an equalization fee based on the remaining unforgiven
26 balance of the loan. The equalization fee must be added to the
27 remaining balance owed by the participant.

28 (3) The department must set the minimum payment. The maximum
29 period for repayment is ten years, with payments of principal and
30 interest commencing six months from the date the participant
31 completes or discontinues the course of study. The interest rate must
32 be determined by the department and be established in rule.
33 Provisions for deferral of payment must be determined by the
34 department. The department must establish an appeal process in rule.

35 (4) The entire principal and interest of each payment must be
36 forgiven for each payment period in which the participant provides
37 early learning services in the state and meets all other requirements
38 of the agreement, until the entire repayment obligation is satisfied.
39 Should the participant cease to provide early learning services in

1 this state before the participant's service obligation is completed
2 or otherwise fails to fulfill the terms of the agreement, payments on
3 the unsatisfied portion of the principal and interest must begin the
4 next payment period and continue until the remainder of the
5 participant's repayment obligation is satisfied.

6 (5) The department is responsible for collection of repayments
7 made under this section and must exercise due diligence in such
8 collection, maintaining all necessary records to insure that maximum
9 repayments are made. Collection and servicing of repayments under
10 this section must be pursued using the full extent of the law,
11 including wage garnishment if necessary. The department must maintain
12 all necessary records of payments made by participants.

13 (6) Receipts from the payment of principal or interest or any
14 other subsidies to which the office as administrator is entitled,
15 which are paid by or on behalf of participants under this section,
16 must be deposited in the child care workforce conditional scholarship
17 and loan repayment account and must be used to cover the costs of
18 granting the conditional scholarships, maintaining necessary records,
19 and making collections under subsection (5) of this section. The
20 department must maintain accurate records of these costs, and all
21 receipts beyond those necessary to pay such costs must be used to
22 grant conditional scholarships to eligible students.

23 (7) The department must adopt rules to define the terms of
24 repayment, including applicable interest rates, fees, and deferments.

25 NEW SECTION. **Sec. 208.** A new section is added to chapter 43.216
26 RCW to read as follows:

27 The child care workforce conditional scholarship and loan
28 repayment account is created in the custody of the state treasurer.
29 All moneys received for the child care workforce conditional
30 scholarship and loan repayment program must be deposited into the
31 account. Expenditures from the account may be used only for
32 conditional loans and loan repayments to participants in the child
33 care workforce conditional scholarship and loan repayment program
34 established by this chapter and costs associated with program
35 administration by the department. Only the director or the director's
36 designee may authorize expenditures from the account. The account is
37 not subject to allotment procedures under chapter 43.88 RCW, except
38 for moneys used for program administration and an appropriation is
39 not required for expenditures.

1 **Part III**

2 **Employer Contributions to Dependent Care Accounts**

3 NEW SECTION. **Sec. 301.** (1) This section is the tax preference
4 performance statement for the tax preferences contained in sections
5 302 and 303, chapter . . . , Laws of 2018 (sections 302 and 303 of
6 this act). This performance statement is only intended to be used for
7 subsequent evaluation of the tax preferences. It is not intended to
8 create a private right of action by any party or be used to determine
9 eligibility for preferential tax treatment.

10 (2) The legislature categorizes the tax preferences in this act
11 as ones intended to induce certain designated behavior by taxpayers,
12 as indicated in RCW 82.32.808(2)(a).

13 (3) It is the legislature's specific public policy objective to
14 encourage employers to assist their employees with child care
15 expenses by contributing to employee dependent care flexible spending
16 accounts.

17 (4) To measure the effectiveness of the tax preferences provided
18 in sections 302 and 303, chapter . . . , Laws of 2018 (sections 302
19 and 303 of this act) in achieving the public policy objective in
20 subsection (3) of this section, the joint legislative audit and
21 review committee must provide the following in a published evaluation
22 of the tax preference by July 31, 2022:

23 (a) The number of employers applying for credits;

24 (b) The average amount of credit claimed by employers;

25 (c) The types of businesses claiming credits;

26 (d) The annual median employee wages paid by each employer
27 claiming a credit; and

28 (e) The number of employees receiving a qualifying contribution
29 with annual gross wages that do not exceed ninety-eight thousand
30 eight hundred eighty dollars.

31 (5) If a review finds that employers request more credits than
32 are available each year, it is the legislature's intent to increase
33 the annual amount of statewide credits and expand the program to
34 additional employers.

35 (6) In order to obtain the data necessary to perform the review
36 in subsection (4) of this section, the joint legislative audit and
37 review committee may refer to data available from the department of
38 revenue and the employment security department.

1 NEW SECTION. **Sec. 302.** A new section is added to chapter 82.04
2 RCW to read as follows:

3 (1) Subject to the limitations in this section, an employer with
4 at least five but no more than one hundred employees is allowed a
5 credit against the tax imposed under this chapter for qualifying
6 contributions made to dependent care flexible spending accounts for
7 eligible employees.

8 (2) The credit is equal to the full amount of qualifying
9 contributions to dependent care flexible spending accounts for
10 eligible employees during the calendar year, minus any qualifying
11 contributions returned to the employer from the third-party
12 administrator. The credit under this section and section 303 of this
13 act may not exceed five thousand dollars per eligible employee and
14 fifty thousand dollars per employer in any calendar year.

15 (3) The department must keep a running total of all credits
16 approved under this section and section 303 of this act for each
17 calendar year. The department may not approve any credits under this
18 section and section 303 of this act that would cause the total amount
19 of approved credits statewide to exceed five hundred thousand dollars
20 in any calendar year.

21 (4) Application for tax credits under this section must be
22 submitted to the department before making qualifying contributions to
23 employee dependent care assistance accounts. The application must be
24 made to the department in a form and manner prescribed by the
25 department. The application must include the proposed amount of
26 qualifying contributions to employee dependent care assistance
27 accounts, the proposed number of eligible employees receiving
28 contributions, and other information required by the department to
29 determine eligibility under this section. The application may not
30 contain personal employee information such as names or social
31 security numbers, but must identify the number of eligible employees
32 receiving wages, as provided under section 301(4) of this act, for
33 whom the employer makes a qualifying contribution. The department
34 must rule on the application within forty-five days. Applications
35 must be approved on a first-come basis.

36 (5) The credit may be claimed only in the calendar year
37 immediately following the calendar year in which the credit was
38 approved by the department and the qualifying contributions were
39 made. The amount of credit claimed for a reporting period may not
40 exceed the tax otherwise due under this chapter for that reporting

1 period. Credits may not be carried over to subsequent years. No
2 refunds may be granted for any unused credits.

3 (6) To claim a credit under this section, a person must
4 electronically file with the department all returns, forms, and any
5 other information required by the department, in an electronic format
6 as provided or approved by the department. Any return, form, or
7 information required to be filed in an electronic format under this
8 section is not filed until received by the department in an
9 electronic format. As used in this subsection, "returns" has the same
10 meaning as "return" in RCW 82.32.050.

11 (7) The department may not accept any applications before January
12 1, 2019, or after December 31, 2028. The department may not allow any
13 credit to be claimed before January 1, 2020, or after December 31,
14 2029.

15 (8) A person that was approved for credit as provided in this
16 section must make the total approved contribution by the end of the
17 calendar year in which the contribution was approved.

18 (9) A person that does not make a contribution as required in
19 subsection (8) of this section forfeits all credits for the approved
20 contribution.

21 (10) The definitions in this subsection apply throughout this
22 section unless the context clearly requires otherwise.

23 (a) "Dependent care flexible spending account" means dependent
24 care assistance as defined in 26 U.S.C. Sec. 129 of the federal
25 internal revenue as it existed on the effective date of this section,
26 or such subsequent date as may be provided by the department by rule.

27 (b) "Eligible employee" means an employee with annual gross wages
28 that do not exceed ninety-eight thousand eight hundred eighty
29 dollars.

30 (c) "Qualifying contribution" means a contribution by an employer
31 to a dependent care flexible spending account for an eligible
32 employee used to pay for the care of a child under age thirteen.

33 (d) "Third-party administrator" means a person contracted by an
34 employer to administer dependent care flexible spending accounts for
35 eligible employees.

36 NEW SECTION. **Sec. 303.** A new section is added to chapter 82.16
37 RCW to read as follows:

38 (1) Subject to the limitations in this section, an employer with
39 at least five but no more than one hundred employees is allowed a

1 credit against the tax imposed under this chapter for qualifying
2 contributions made to dependent care flexible spending accounts for
3 eligible employees.

4 (2) The credit is equal to the full amount of qualifying
5 contributions to dependent care flexible spending accounts for
6 eligible employees during the calendar year, minus any qualifying
7 contributions returned to the employer from the third-party
8 administrator. The credit under this section and section 302 of this
9 act may not exceed five thousand dollars per eligible employee and
10 fifty thousand dollars per employer in any calendar year.

11 (3) The department must keep a running total of all credits
12 approved under this section and section 302 of this act for each
13 calendar year. The department may not approve any credits under this
14 section and section 302 of this act that would cause the total amount
15 of approved credits statewide to exceed five hundred thousand dollars
16 in any calendar year.

17 (4) Application for tax credits under this section must be
18 submitted to the department before making qualifying contributions to
19 employee dependent care assistance accounts. The application must be
20 made to the department in a form and manner prescribed by the
21 department. The application must include the proposed amount of
22 qualifying contributions to employee dependent care assistance
23 accounts, the proposed number of eligible employees receiving
24 contributions, and other information required by the department to
25 determine eligibility under this section. The application may not
26 contain personal employee information such as names or social
27 security numbers, but must identify the number of eligible employees
28 receiving wages, as provided under section 301(4) of this act, for
29 whom the employer makes a qualifying contribution. The department
30 must rule on the application within forty-five days. Applications
31 must be approved on a first-come basis.

32 (5) The credit may be claimed only in the calendar year
33 immediately following the calendar year in which the credit was
34 approved by the department and the qualifying contributions were
35 made. The amount of credit claimed for a reporting period may not
36 exceed the tax otherwise due under this chapter for that reporting
37 period. Credits may not be carried over to subsequent years. No
38 refunds may be granted for any unused credits.

39 (6) To claim a credit under this section, a person must
40 electronically file with the department all returns, forms, and any

1 other information required by the department, in an electronic format
2 as provided or approved by the department. Any return, form, or
3 information required to be filed in an electronic format under this
4 section is not filed until received by the department in an
5 electronic format. As used in this subsection, "returns" has the same
6 meaning as "return" in RCW 82.32.050.

7 (7) The department may not accept any applications before January
8 1, 2019, or after December 31, 2028. The department may not allow any
9 credit to be claimed before January 1, 2020, or after December 31,
10 2029.

11 (8) A person that was approved for credit as provided in this
12 section must make the total approved contribution by the end of the
13 calendar year in which the contribution was approved.

14 (9) A person that does not make a contribution as required in
15 subsection (8) of this section forfeits all credits for the approved
16 contribution.

17 (10) The definitions in section 302 of this act apply to this
18 section.

19 **Part IV**

20 **Miscellaneous Provisions**

21 NEW SECTION. **Sec. 401.** (1) Sections 201 through 207 of this act
22 take effect on the date that the contributions to the child care
23 workforce conditional scholarship and loan repayment account, created
24 in section 208 of this act, exceed one hundred thousand dollars.

25 (2) The department of children, youth, and families must provide
26 written notice of the effective date of sections 201 through 207 of
27 this act to affected parties, the chief clerk of the house of
28 representatives, the secretary of the senate, the office of the code
29 reviser, and others as deemed appropriate by the department.

--- END ---