
SUBSTITUTE HOUSE BILL 1637

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Scott, Heavey, Cole, Winsley, Leonard, Cantwell, Wang, Jones, Day, Brough, Rasmussen, Miller, R. Johnson, Kremen and Orr).

Read first time March 1, 1991.

1 AN ACT Relating to tax credits for employer-sponsored child care
2 facilities; and adding a new section to chapter 82.04 RCW.

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

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

6 (1) In computing tax due under this chapter, a credit against the
7 amount of tax is allowed for thirty percent of the amount paid on or
8 after the effective date of this act for the construction of a child
9 care facility to be used by the taxpayer's employees. The child care
10 facility may, when space is available, provide care for the children of
11 persons not employed by the taxpayer requesting the credit under this
12 section. The credit allowed under this section shall not exceed thirty
13 thousand dollars for any taxpayer in any tax year.

1 (2) For the purposes of this section, "taxpayer" means a taxpayer
2 who employs one hundred or more employees or a consortium of taxpayers
3 who in the aggregate employ one hundred or more employees.

4 (3) To be eligible for the credit allowed under this section, the
5 taxpayer shall submit to the department upon request a statement
6 certifying that the costs for which the credit is claimed are incurred
7 with respect to constructing a child care facility that will be in
8 operation for a least sixty consecutive months. The department may
9 require any other information necessary to evaluate eligibility under
10 this section.

11 (4) If a child care facility is constructed by a consortium of two
12 or more taxpayers, the tax credit authorized in this section shall be
13 allowed to participating taxpayers in proportion to each taxpayer's
14 respective share of the costs paid in constructing the facility.

15 (5) If the credit allowed under this section exceeds the tax
16 imposed by this chapter, that portion of the credit that exceeds the
17 taxes may be carried over to the taxes imposed by this chapter in the
18 next five succeeding tax years. The credit shall be applied first to
19 the earliest income years possible.

20 (6)(a) If the taxpayer ceases using the facility for which a credit
21 is claimed for child care purposes within sixty months of completion,
22 the taxpayer shall pay a tax as calculated in (b) of this subsection,
23 together with interest at the same rate and computed in the same way as
24 that upon delinquent taxes.

25 (b) The tax liability under (a) of this subsection shall equal the
26 amount of the credit that was allowed under this section minus the
27 amount of the credit multiplied by a fraction, the numerator of which
28 represents the number of months the facility was used for child care
29 purposes, and the denominator of which is sixty months.

1 (c) The tax liability under this subsection shall be added to the
2 taxpayer's tax liability for the first reporting period ending not
3 sooner than one year after the month in which the facility ceased being
4 used as a child care facility.

5 (7) This section shall not apply to expenditures for child care
6 facilities that:

7 (a) Are provided out-of-state; or

8 (b) Are not licensed pursuant to the requirements of chapter 74.15
9 RCW.