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SENATE BILL 6308

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State of Washington

58th Legislature

2004 Regular Session

By Senator Benton

Read first time 01/16/2004. Referred to Committee on Economic Development.

1 AN ACT Relating to tax credits for information technology help desk  
2 services provided in rural counties; adding a new section to chapter  
3 82.04 RCW; providing an effective date; providing an expiration date;  
4 and declaring an emergency.

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

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

8 (1) Subject to the limits and provisions of this section, a credit  
9 is authorized against the tax otherwise due under this chapter for  
10 persons engaged in a rural county in the business of providing  
11 information technology help desk services to third parties.

12 (2) To qualify for the credit, the help desk services must be  
13 conducted from a rural county.

14 (3) The amount of the tax credit for persons engaged in the  
15 activity of providing information technology help desk services in  
16 rural counties shall be equal to one hundred percent of the amount of  
17 tax due under this chapter that is attributable to providing the  
18 services from the rural county. In order to qualify for the credit

1 under this subsection, the county must meet the definition of rural  
2 county at the time the person begins to conduct qualifying business in  
3 the county.

4 (4) No application is necessary for the tax credit. The person  
5 must keep records necessary for the department to verify eligibility  
6 under this section. These records include information relating to  
7 description of activity engaged in a rural county by the person.

8 (5) If at any time the department finds that a person is not  
9 eligible for tax credit under this section, the amount of taxes for  
10 which a credit has been used is immediately due. The department shall  
11 assess interest, but not penalties, on the credited taxes for which the  
12 person is not eligible. The interest shall be assessed at the rate  
13 provided for delinquent excise taxes under chapter 82.32 RCW, shall be  
14 assessed retroactively to the date the tax credit was taken, and shall  
15 accrue until the taxes for which a credit has been used are repaid.

16 (6) The credit under this section may be used against any tax due  
17 under this chapter, but in no case may a credit earned during one  
18 calendar year be carried over to be credited against taxes incurred in  
19 a subsequent calendar year. No refunds may be granted for credits  
20 under this section.

21 (7) Transfer of ownership does not affect credit eligibility.  
22 However, the credit is available to the successor only if the  
23 eligibility conditions of this section are met.

24 (8) As used in this section:

25 (a) "Information technology help desk services" means the following  
26 services performed using electronic and telephonic communication:

- 27 (i) Software and hardware maintenance;
- 28 (ii) Software and hardware diagnostics and troubleshooting;
- 29 (iii) Software and hardware installation;
- 30 (iv) Software and hardware repair;
- 31 (v) Software and hardware information and training; and
- 32 (vi) Software and hardware upgrade.

33 (b) "Rural county" means a county with a population density of less  
34 than one hundred persons per square mile, as determined by the office  
35 of financial management and published each year by the department for  
36 the period July 1st to June 30th.

37 (9) This section expires January 1, 2009.

1        NEW SECTION.   **Sec. 2.**   This act is necessary for the immediate  
2   preservation of the public peace, health, or safety, or support of the  
3   state government and its existing public institutions, and takes effect  
4   immediately.

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