

SENATE BILL REPORT

SB 5175

As Passed Senate, March 4, 2005

Title: An act relating to excise tax incentives for international companies investing in Washington.

Brief Description: Declaring that international companies investing in Washington are eligible for tax incentives.

Sponsors: Senators Shin, Schmidt, Kohl-Welles, Rasmussen, Rockefeller, Eide, Kline, Roach, Berkey, Doumit and McAuliffe.

Brief History:

Committee Activity: International Trade & Economic Development: 1/27/05, 2/2/05 [DP].
Passed Senate: 3/4/05, 47-0.

SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Shin, Chair; Sheldon, Vice Chair; Pflug, Ranking Minority Member; Doumit, Eide, Roach and Zarelli.

Staff: Joyce Ahlering (360-786-7486)

Background: Many international companies with an interest in operating in Washington are not aware of the various tax incentives available. The tax code's definition of "person" used for business and occupation taxes, as well as for sales and use taxes and the various tax incentive statutes, does not include international companies investing in Washington.

Summary of Bill: A new section is added that specifies that international companies investing in Washington are included within the definition of person.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: Washington's past difficulty with accommodating out-of-state companies is linked to the absence of international businesses in the tax code's definition of person. Clarifying the statutes with this explicit inclusion will encourage international investment in Washington State.

Testimony Against: None.

Who Testified: PRO: Senator Shin, prime sponsor.