

SENATE BILL REPORT

SB 6515

As of February 5, 2014

Title: An act relating to a pilot program that provides incentives for investments in Washington state job creation and economic development.

Brief Description: Creating a pilot program that provides incentives for investments in Washington state job creation and economic development.

Sponsors: Senators Brown, Chase, Hewitt and Rivers.

Brief History:

Committee Activity: Trade & Economic Development: 2/06/14.

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Staff: Jeff Olsen (786-7428)

Background: Economic development policies are designed to improve the economic wellbeing of a community through efforts that include job creation, job retention, tax base enhancements, and improvements to quality of life. State and local governments may utilize a variety of tools to attract economic investment in their communities. In Washington there are a variety of tax polices including preferential tax rates, credits, exemptions, deductions, and deferrals that are designed to enhance economic activity, create or retain jobs, and attract business investments.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): The Invest in Washington pilot program is established to evaluate the effectiveness of providing a tax incentive for businesses that invest in manufacturing facilities and reinvest all or a portion of those tax savings in employee training programs. The pilot program consists of up to five qualified industrial facilities, of which at least two must be located east of the crest of the Cascade Mountains. A person is allowed a credit against the Business and Occupation tax on a portion of the costs incurred for the construction of an industrial facility. The credit equals the state and local retail sales taxes paid on up to \$10 million in construction costs.

The Invest in Washington Pilot program allows a person to contribute all or any portion of their approved tax credit to the Invest in Washington Account. The Invest in Washington

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Account, administered by the State Board for Community and Technical Colleges, must be used to support customized job training programs, job skills programs, job readiness training, workforce professional development, and to assist employers with state-approved apprenticeship programs for manufacturing and production occupations. The Department of Revenue must notify the State Treasurer by June 1, 2015, and annually thereafter, the amount of credits contributed to the Invest in Washington Account.

The Joint Legislative Audit and Review Committee must measure the effectiveness of the credit for creating or retaining jobs and providing funding for job training.

Appropriation: None.

Fiscal Note: Requested on January 31, 2014.

Committee/Commission/Task Force Created: No.

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