
HOUSE BILL 2928

State of Washington

65th Legislature

2018 Regular Session

By Representative Lytton

Read first time 01/25/18. Referred to Committee on Finance.

1 AN ACT Relating to reauthorizing the business and occupation tax
2 deduction for cooperative finance organizations; adding a new section
3 to chapter 82.04 RCW; creating a new section; providing an effective
4 date; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
7 performance statement for the tax preference contained in section 2,
8 chapter . . . , Laws of 2018 (section 2 of this act). This performance
9 statement is only intended to be used for subsequent evaluation of
10 the tax preference. It is not intended to create a private right of
11 action by any party or to be used to determine eligibility for
12 preferential tax treatment.

13 (2) The legislature categorizes this tax preference as one
14 intended to provide tax relief for certain businesses or individuals,
15 as indicated in RCW 82.32.808(2)(e).

16 (3) It is the legislature's specific public policy objective to
17 reduce the tax burden on individuals and businesses imposed by the
18 existing business and occupation tax rates.

19 (4) If the review finds that at least six cooperative finance
20 organizations in this state are experiencing tax relief from this tax

1 preference, then the legislature intends to extend the expiration
2 date of this tax preference.

3 (5) In order to obtain the data necessary to perform the review
4 in subsection (4) of this section, the joint legislative audit and
5 review committee may refer to any data collected by the state.

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

8 (1) In computing tax there may be deducted from the measure of
9 tax, amounts received by a cooperative finance organization where the
10 amounts are derived from loans to rural electric cooperatives or
11 other nonprofit or governmental providers of utility services
12 organized under the laws of this state.

13 (2) For the purposes of this section, the following definitions
14 apply:

15 (a) "Cooperative finance organization" means a nonprofit
16 organization with the primary purpose of providing, securing, or
17 otherwise arranging financing for rural electric cooperatives.

18 (b) "Rural electric cooperative" means a nonprofit, customer-
19 owned organization that provides utility services to rural areas.

20 (3) This section expires January 1, 2029.

21 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2018.

--- END ---