

HB 1368 - S COMM AMD

By Committee on Ways & Means

ADOPTED 03/09/2020

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) This section is the tax preference
4 performance statement for the tax preference contained in section 2,
5 chapter . . ., Laws of 2020 (section 2 of this act). This performance
6 statement is only intended to be used for subsequent evaluation of
7 the tax preference. It is not intended to create a private right of
8 action by any party or to be used to determine eligibility for
9 preferential tax treatment.

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

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

16 (4) If the review finds that at least one cooperative finance
17 organization in this state used the deduction, then the legislature
18 intends to extend the expiration date of this tax deduction.

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

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

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

29 (2) For the purposes of this section, the following definitions
30 apply:

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

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

6 (3) This section expires January 1, 2030.

7 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2020."

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8 On page 1, line 2 of the title, after "organizations;" strike the
9 remainder of the title and insert "adding a new section to chapter
10 82.04 RCW; creating a new section; providing an effective date; and
11 providing an expiration date."

EFFECT: Makes technical corrections.

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