

2 **SSB 5201** - S Amd - 163

3 By Senators Hargrove, Rinehart, Bauer, Gaspard, Snyder, Owen,  
4 Quigley and Spanel

5 ADOPTED 3/13/95; RECONSIDERED/WITHDRAWN; DIVISION 24-23; 3/14/95

6 On page 10, after line 14, strike all of section 8 and insert the  
7 following:

8 "**Sec. 8.** RCW 82.60.065 and 1994 1st sp.s. c 1 s 6 are each amended  
9 to read as follows:

10 Except as provided in RCW 82.60.070:

11 (1) Taxes deferred under this chapter on the sale or use of labor  
12 that is directly used in the construction of an investment project for  
13 which a deferral has been granted under this chapter after June 11,  
14 1986, and prior to July 1, 1994, need not be repaid.

15 (2) Taxes deferred under this chapter on an investment project for  
16 which a deferral has been granted under this chapter after June 30,  
17 1994, need not be repaid.

18 (3) Taxes deferred under this chapter need not be repaid on  
19 machinery and equipment, and sales of or charges made for labor and  
20 services, of the type which qualifies for exemption under section 2 or  
21 3 of this act to the extent the taxes have not been repaid before the  
22 effective date of this act.

23 **Sec. 9.** RCW 82.60.070 and 1994 1st sp.s. c 1 s 5 are each amended  
24 to read as follows:

25 (1) Each recipient of a deferral granted under this chapter prior  
26 to July 1, 1994, shall submit a report to the department on December  
27 31st of each year during the repayment period until the tax deferral is  
28 repaid. Each recipient of a deferral granted under this chapter after  
29 June 30, 1994, shall submit a report to the department on December 31st  
30 of the year in which the investment project is certified by the  
31 department as having been operationally completed, and on December 31st  
32 of each of the seven succeeding calendar years. The report shall  
33 contain information, as required by the department, from which the  
34 department may determine whether the recipient is meeting the  
35 requirements of this chapter. If the recipient fails to submit a  
36 report or submits an inadequate report, the department may declare the  
37 amount of deferred taxes outstanding to be immediately assessed and  
38 payable.

1 (2) If, on the basis of a report under this section or other  
2 information, the department finds that an investment project is not  
3 eligible for tax deferral under this chapter for reasons other than  
4 failure to create the required number of qualified employment  
5 positions, the amount of deferred taxes outstanding for the project  
6 shall be immediately due.

7 (3) If, on the basis of a report under this section or other  
8 information, the department finds that an investment project for which  
9 a deferral has been granted under this chapter prior to July 1, 1994,  
10 has been operationally complete for three years and has failed to  
11 create the required number of qualified employment positions, the  
12 department shall assess interest, but not penalties, on the deferred  
13 taxes for the project. The interest shall be assessed at the rate  
14 provided for delinquent excise taxes, shall be assessed retroactively  
15 to the date of deferral, and shall accrue until the deferred taxes are  
16 repaid.

17 (4) If, on the basis of a report under this section or other  
18 information, the department finds that an investment project for which  
19 a deferral has been granted under this chapter after June 30, 1994, has  
20 been operationally complete for three years and has failed to create  
21 the required number of qualified employment positions, the amount of  
22 taxes not eligible for deferral shall be immediately due. The  
23 department shall assess interest at the rate provided for delinquent  
24 excise taxes, but not penalties, retroactively to the date of deferral.

25 (5) If, on the basis of a report under this section or other  
26 information, the department finds that an investment project qualifying  
27 for deferral under RCW 82.60.040(1) (b) or (c) has failed to comply  
28 with any requirement of RCW 82.60.045 for any calendar year for which  
29 reports are required under subsection (1) of this section, twelve and  
30 one-half percent of the amount of deferred taxes shall be immediately  
31 due. The department shall assess interest at the rate provided for  
32 delinquent excise taxes, but not penalties, retroactively to the date  
33 of deferral.

34 (6) Notwithstanding any other subsection of this section, deferred  
35 taxes need not be repaid on machinery and equipment, and sales of or  
36 charges made for labor and services, of the type which qualifies for  
37 exemption under section 2 or 3 of this act to the extent the taxes have  
38 not been repaid before the effective date of this act."

39 Renumber the sections consecutively and correct any internal  
40 references accordingly

1 **SSB 5201** - S Amd - 200  
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5 On page 1, line 4 of the title, before "82.60.070" insert  
6 "82.60.065,"

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