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SENATE BILL 5391

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State of Washington                      56th Legislature                      1999 Regular Session

By Senators Hochstatter and Stevens

Read first time 01/21/1999. Referred to Committee on Education.

1            AN ACT Relating to business and occupation tax credits for  
2 educational expenses at private K-12 schools; adding a new section to  
3 chapter 82.04 RCW; providing an effective date; and declaring an  
4 emergency.

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

6            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8            In computing the tax imposed under this chapter, a credit is  
9 allowed against the amount of tax otherwise due under this chapter  
10 equal to the amount of scholarships granted during the tax year for  
11 educational expenses of students incurred in attending private K-12  
12 schools, subject to the following limitations:

13            (1) No credit may be taken in excess of four percent of the tax  
14 liability for the year;

15            (2) No more than one hundred scholarships may be given by the  
16 company in the year and used as credit under this section;

17            (3) No more than one-half of a company's scholarships may be used  
18 for students who are children of proprietors, partners, directors,  
19 shareholders, or employees of the company;

1 (4) No credit may be taken unless annual tax liability is equal to  
2 or greater than two thousand five hundred dollars;

3 (5) No credit in excess of one hundred thousand dollars may be  
4 claimed by an individual business for the year; and

5 (6) No credit may carry over to a subsequent tax year.

6 The department shall provide a simplified procedure for claiming  
7 the credit authorized under this section, including a simple report  
8 form.

9 As used in this section, "educational expenses" means tuition  
10 expenses.

11 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
12 preservation of the public peace, health, or safety, or support of the  
13 state government and its existing public institutions, and takes effect  
14 July 1, 1999.

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