
HOUSE BILL 2502

State of Washington 58th Legislature 2004 Regular Session

By Representatives Eickmeyer, Haigh and Hatfield

Read first time 01/15/2004. Referred to Committee on Finance.

1 AN ACT Relating to the rural county information technology tax
2 credit; adding a new section to chapter 82.04 RCW; and providing an
3 expiration date.

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

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

7 (1) Subject to the limits and provisions of this section, a credit
8 is authorized against the tax otherwise due under this chapter for
9 persons engaged in a rural county in the business of providing
10 information technology help desk services to third parties.

11 (2) To qualify for the credit, the help desk services must be
12 conducted from a rural county.

13 (3) The amount of the tax credit for persons engaged in the
14 activity of providing information technology help desk services in
15 rural counties shall be equal to one hundred percent of the amount of
16 tax due under this chapter that is attributable to providing the
17 services from the rural county. In order to qualify for the credit
18 under this subsection, the county must meet the definition of rural

1 county at the time the person begins to conduct qualifying business in
2 the county.

3 (4) No application is necessary for the tax credit. The person
4 must keep records necessary for the department to verify eligibility
5 under this section. These records include information relating to
6 description of activity engaged in a rural county by the person.

7 (5) If at any time the department finds that a person is not
8 eligible for tax credit under this section, the amount of taxes for
9 which a credit has been used is immediately due. The department shall
10 assess interest, but not penalties, on the credited taxes for which the
11 person is not eligible. The interest shall be assessed at the rate
12 provided for delinquent excise taxes under chapter 82.32 RCW, shall be
13 assessed retroactively to the date the tax credit was taken, and shall
14 accrue until the taxes for which a credit has been used are repaid.

15 (6) The credit under this section may be used against any tax due
16 under this chapter, but in no case may a credit earned during one
17 calendar year be carried over to be credited against taxes incurred in
18 a subsequent calendar year. No refunds may be granted for credits
19 under this section.

20 (7) A person taking tax credits under this section shall make an
21 annual report to the department. The report shall be in a letter form
22 and shall include the following information: Type of activity in which
23 the person is engaged in the county, number of employees in the rural
24 county, how long the person has been located in the county, and
25 taxpayer name and registration number. The report must be filed by
26 January 30th of each year for which credit was claimed during the
27 previous year. Failure to file a report will not result in the loss of
28 eligibility under this section. However, the department, through its
29 research division, shall contact taxpayers who have not filed the
30 report and obtain the data from the taxpayer or assist the taxpayer in
31 the filing of the report, so that the data and information necessary to
32 measure the program's effectiveness is maintained.

33 (8) Transfer of ownership does not affect credit eligibility.
34 However, the credit is available to the successor only if the
35 eligibility conditions of this section are met.

36 (9) As used in this section:

37 (a) "Information technology help desk services" means the following
38 services performed using electronic and telephonic communication:

1 (i) Software and hardware maintenance;
2 (ii) Software and hardware diagnostics and troubleshooting;
3 (iii) Software and hardware installation;
4 (iv) Software and hardware repair;
5 (v) Software and hardware information and training; and
6 (vi) Software and hardware upgrade.
7 (b) "Rural county" means a county with a population density of less
8 than one hundred persons per square mile, as determined by the office
9 of financial management and published each year by the department for
10 the period July 1st to June 30th.
11 (10) This section expires January 1, 2008.

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