
HOUSE BILL 3144

State of Washington

58th Legislature

2004 Regular Session

By Representatives Veloria, Wallace, Morrell, McDonald, McCoy, Chase and Hudgins

Read first time 01/29/2004. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to business and occupation taxation of small
2 businesses; and adding a new section to chapter 82.04 RCW.

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

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

6 (1) The tax imposed under this chapter does not apply to an
7 eligible person for a period of twenty-four consecutive months
8 beginning with the month that the eligible person first engages in
9 business.

10 (2) The following definitions apply throughout this section, unless
11 the context clearly requires otherwise.

12 (a) "Advanced computing" means technologies used in the designing
13 and developing of computing hardware and software, including
14 innovations in designing the full spectrum of hardware from hand-held
15 calculators to super computers, and peripheral equipment.

16 (b) "Advanced materials" means materials with engineered properties
17 created through the development of specialized processing and synthesis
18 technology, including ceramics, high value-added metals, electronic
19 materials, composites, polymers, and biomaterials.

1 (c) "Biotechnology" means the application of technologies, such as
2 recombinant DNA techniques, biochemistry, molecular and cellular
3 biology, genetics and genetic engineering, cell fusion techniques, and
4 new bioprocesses, using living organisms, or parts of organisms, to
5 produce or modify products, to improve plants or animals, to develop
6 microorganisms for specific uses, to identify targets for small
7 molecule pharmaceutical development, or to transform biological systems
8 into useful processes and products or to develop microorganisms for
9 specific uses.

10 (d) "Electronic device technology" means technologies involving
11 microelectronics; semiconductors; electronic equipment and
12 instrumentation; radio frequency, microwave, and millimeter
13 electronics; optical and optic-electrical devices; and data and digital
14 communications and imaging devices.

15 (e) "Eligible person" means a person as defined in RCW 82.04.030,
16 who is a small business as defined in RCW 19.85.020; and a manufacturer
17 as defined in RCW 82.04.110 or engages in research and development in
18 Washington in advanced computing, advanced materials, biotechnology,
19 electronic device technology, or environmental technology. "Eligible
20 person" does not include a business existing on the effective date of
21 this section that incorporates, reincorporates, merges, is acquired by
22 another business, or otherwise changes or reforms its identity after
23 the effective date of this section.

24 (f) "Environmental technology" means assessment and prevention of
25 threats or damage to human health or the environment, environmental
26 cleanup, and the development of alternative energy sources.

27 (g) "Research and development" means activities performed to
28 discover technological information, and technical and nonroutine
29 activities concerned with translating technological information into
30 new or improved products, processes, techniques, formulas, inventions,
31 or software. The term includes exploration of a new use for an
32 existing drug, device, or biological product if the new use requires
33 separate licensing by the federal food and drug administration under
34 Title 21 C.F.R. The term does not include adaptation or duplication of
35 existing products where the products are not substantially improved by
36 application of the technology, nor does the term include surveys and
37 studies, social science and humanities research, market research or

1 testing, quality control, sale promotion and service, computer software
2 developed for internal use, and research in areas such as improved
3 style, taste, and seasonal design.

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