
SENATE BILL 5318

State of Washington

58th Legislature

2003 Regular Session

By Senators T. Sheldon, Doumit, Hale and Esser

Read first time 01/22/2003. Referred to Committee on Economic Development.

1 AN ACT Relating to extending a tax credit for persons engaged in a
2 rural county in the business of providing information technology help
3 desk services to third parties; amending RCW 82.04.4457; and providing
4 an expiration date.

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

6 **Sec. 1.** RCW 82.04.4457 and 2000 c 106 s 12 are each amended to
7 read as follows:

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

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

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

1 under this subsection, the county must meet the definition of rural
2 county at the time the person begins to conduct qualifying business in
3 the county.

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

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

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

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

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

37 (9) As used in this section:

1 (a) "Information technology help desk services" means the following
2 services performed using electronic and telephonic communication:
3 (i) Software and hardware maintenance;
4 (ii) Software and hardware diagnostics and troubleshooting;
5 (iii) Software and hardware installation;
6 (iv) Software and hardware repair;
7 (v) Software and hardware information and training; and
8 (vi) Software and hardware upgrade.
9 (b) "Rural county" means a county with a population density of less
10 than one hundred persons per square mile, as determined by the office
11 of financial management and published each year by the department for
12 the period July 1st to June 30th.
13 (10) This section expires December 31, (~~2003~~) 2008.

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