
SENATE BILL 5703

State of Washington

58th Legislature

2003 Regular Session

By Senators Hale, T. Sheldon, Zarelli, Shin and Oke

Read first time 02/06/2003. Referred to Committee on Economic Development.

1 AN ACT Relating to business and occupation tax credits for eligible
2 business projects; and amending RCW 82.62.010.

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

4 **Sec. 1.** RCW 82.62.010 and 2001 c 320 s 12 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Applicant" means a person applying for a tax credit under this
9 chapter.

10 (2) "Department" means the department of revenue.

11 (3) "Eligible area" means an area as defined in RCW 82.60.020.

12 (4)(a) "Eligible business project" means manufacturing or research
13 and development activities which are conducted by an applicant in an
14 eligible area at a specific facility, provided the applicant's average
15 full-time qualified employment positions at the specific facility will:
16 (i) Be at least fifteen percent greater in the year for which the
17 credit is being sought than the applicant's average full-time qualified
18 employment positions at the same facility in the immediately preceding
19 year; or (ii)(A) increase by at least thirty full-time employment

1 positions in the year for which the credit is being sought over the
2 prior year's average full-time employment positions at the same
3 facility in the immediately preceding year, if the eligible business
4 project is located in an eligible area having a population of less than
5 fifty thousand; or (B) increase by at least fifty full-time employment
6 positions in the year for which the credit is being sought over the
7 prior year's average full-time employment positions at the same
8 facility in the immediately preceding year, if the eligible business
9 project is located in an eligible area having a population of fifty
10 thousand or more.

11 (b) "Eligible business project" does not include any portion of a
12 business project undertaken by a light and power business as defined in
13 RCW 82.16.010(5) or that portion of a business project creating
14 qualified full-time employment positions outside an eligible area.

15 (5) "Manufacturing" means the same as defined in RCW 82.04.120.
16 "Manufacturing" also includes computer programming, the production of
17 computer software, and other computer-related services, and the
18 activities performed by research and development laboratories and
19 commercial testing laboratories.

20 (6) "Person" has the meaning given in RCW 82.04.030.

21 (7) "Qualified employment position" means a permanent full-time
22 employee employed in the eligible business project during the entire
23 tax year.

24 (8) "Tax year" means the calendar year in which taxes are due.

25 (9) "Recipient" means a person receiving tax credits under this
26 chapter.

27 (10) "Research and development" means the development, refinement,
28 testing, marketing, and commercialization of a product, service, or
29 process before commercial sales have begun. As used in this
30 subsection, "commercial sales" excludes sales of prototypes or sales
31 for market testing if the total gross receipts from such sales of the
32 product, service, or process do not exceed one million dollars.

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