

6239-S

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Benton, Carlson, Hale, McAuliffe, Prentice, Rasmussen, Murray, Haugen and Poulsen; by request of Governor Locke)

Brief Description: Modifying high technology and research and development tax incentive provisions.

SB 6239-S.E - DIGEST

(AS OF SENATE 2ND READING 1/28/04)

Revises high technology and research and development tax incentive provisions.

Finds that recruiting and retaining high technology companies is a critical component of creating a strong economy for Washington's future. This strong economy is vital to provide the public and private resources to support a diverse array of essential government and social services.

Finds that numerous states and countries are using an extensive series of economic incentives to compete for these same high technology companies and the high-wage direct and indirect jobs they create.

Finds that high technology companies of all sizes must continue to invest in research and development to discover new ideas that lead to new products and processes that significantly improve the quality of life of all citizens of Washington state.

Finds that the business and occupations tax credit is intended to promote investment in initial research and development by high technology companies to explore new ideas.

Finds that the business and occupation tax credit for investment in research and development and a sales tax deferral and exemption for investment in capital facilities to conduct research and development are designed to work together to encourage new ideas and transform them into products and processes. Therefore, the legislature directs that these incentives shall be evaluated together to determine their joint ability to create direct, indirect, and induced economic benefits for the people of the state of Washington.