

6240-S

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

Brief Description: Providing tax incentives in rural counties. Revised for 1st Substitute: Modifying tax incentive provisions for rural counties.

SB 6240-S - DIGEST

(DIGEST AS ENACTED)

Provides that, subject to the limits and provisions of this act, a credit is authorized against the tax otherwise due under chapter 82.04 RCW for persons engaged in a rural county in the business of manufacturing computer software or programming, as those terms are defined in this act.

Declares that the credit under this act shall equal one thousand dollars for each new qualified employment position created after January 1, 2004, in an eligible area. A credit is earned for the calendar year the person is hired to fill the position. Additionally a credit is earned for each year the position is maintained over the subsequent consecutive years, up to four years.

Provides that, if at any time the department finds that a person is not eligible for tax credit under this act, the amount of taxes for which a credit has been claimed shall be immediately due. The department shall assess interest, but not penalties, on the taxes for which the person is not eligible. The interest shall be assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW, shall be assessed retroactively to the date the tax credit was taken, and shall accrue until the taxes for which a credit has been used are repaid.

Provides that a person taking tax credits under this act shall make an annual report to the department. The report shall be in a letter form and shall include the following information: Number of positions for which credit is being claimed, type of position for which credit is being claimed, type of activity in which the person is engaged in the county, how long the person has been located in the county, and taxpayer name and registration number. The report must be filed by January 30th of each year for which credit was claimed during the previous year.

Declares that subject to the limits and provisions of this act, a credit is authorized against the tax otherwise due under chapter 82.04 RCW for persons engaged in a rural county in the business of providing information technology help desk services to third parties.