
HOUSE BILL 1094

State of Washington 59th Legislature 2005 Regular Session

By Representatives Santos, Hasegawa, Conway, Darneille, Chase, Hudgins, Dickerson, Schual-Berke, Morrell, Wood and McCoy

Read first time 01/13/2005. Referred to Committee on Finance.

1 AN ACT Relating to accountability for tax incentives; and adding a
2 new chapter to Title 82 RCW.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that when public
5 funds, through tax incentives, are used to support private enterprise,
6 the public may gain through the creation of jobs, the diversification
7 of the economy, and by raising living standards. The legislature
8 further finds that such returns on taxpayers' public investments are
9 not automatic and that tax incentives may result in a greater tax
10 burden to those not eligible for public support or may result in a
11 lower return to the public than if the taxes were collected and spent
12 on education, health care, or other critical social services.
13 Therefore, in order to improve the effectiveness of tax incentives for
14 supporting private enterprise and to ensure that they achieve the goal
15 of raising living standards for working families and strengthening the
16 Washington state economy, the legislature finds it necessary to
17 collect, analyze, and make publicly available information regarding
18 those tax incentives.

1 NEW SECTION. **Sec. 2.** Tax exemptions, exclusions, deductions, and
2 credits allowed under the sections listed below are tax incentives for
3 the purposes of this chapter.

- 4 RCW 36.100.090 Baseball stadium deferral
- 5 RCW 36.102.070 Football stadium deferral
- 6 RCW 48.14.020(3) Tax rate for ocean marine insurance
- 7 RCW 48.14.029 Tax credit for international services
- 8 RCW 66.24.290(3)(b) Beer tax exemption for microbrewers
- 9 RCW 82.04.050(1)(d) Ferrosilicon
- 10 RCW 82.04.062 Precious metals and bullion
- 11 RCW 82.04.110 Aluminum master alloys
- 12 RCW 82.04.120 Processors of seafood
- 13 RCW 82.04.2403 Fish cleaning
- 14 RCW 82.04.260(5) and (6) Nuclear fuel assemblies
- 15 RCW 82.04.260(8) Charter and freight brokers
- 16 RCW 82.04.260(9) Stevedoring
- 17 RCW 82.04.272 Resellers of prescription drugs
- 18 RCW 82.04.290(1) International investment management
- 19 RCW 82.04.315 International banking facilities
- 20 RCW 82.04.317 Wholesale auto auctions
- 21 RCW 82.04.421 Memberships to purchase at discount
- 22 RCW 82.04.4295 Manufacturing completed in Washington
- 23 RCW 82.04.4333 Job training services
- 24 RCW 82.04.4334 Sale of alternative fuel
- 25 RCW 82.04.4335 Sale of wood biomass fuel
- 26 RCW 82.04.434 Testing and safety labs
- 27 RCW 82.04.4452 Research and development; high technology firms
- 28 RCW 82.04.44525 International services
- 29 RCW 82.04.447 Natural gas purchases by direct service industrial
30 customers
- 31 RCW 82.08.0255(1) Fuel for aircraft research
- 32 RCW 82.08.02565 Manufacturing machinery
- 33 RCW 82.08.02566 Equipment for designing aircraft parts
- 34 RCW 82.08.02567 Electric generating equipment; renewable resources
- 35 RCW 82.08.02568 Anodes and cathodes for aluminum production
- 36 RCW 82.08.0315 Film and video production equipment
- 37 RCW 82.08.810 Air pollution control facilities
- 38 RCW 82.08.811 Coal for thermal generating plants

1 RCW 82.08.820 Tax remittance for warehouse expansion
 2 RCW 82.08.955 Distribution of biodiesel/alcohol fuels
 3 RCW 82.08.960 Distribution of wood biomass fuel
 4 RCW 82.12.024 Natural gas purchased by direct service industrial
 5 customers
 6 RCW 82.12.0256(1) Fuel for aircraft research
 7 RCW 82.12.02565 Manufacturing machinery
 8 RCW 82.12.02566 Equipment for designing aircraft parts
 9 RCW 82.12.02567 Electric generating equipment; renewable resources
 10 RCW 82.12.02568 Anodes and cathodes for aluminum production
 11 RCW 82.12.0315 Film and video production equipment
 12 RCW 82.12.810 Air pollution control facilities
 13 RCW 82.12.811 Coal for thermal generating plants
 14 RCW 82.12.820 Tax remittance for warehouse expansion
 15 RCW 82.12.955 Distribution of biodiesel/alcohol fuels
 16 RCW 82.12.960 Distribution of wood biomass fuel blend
 17 RCW 82.16.0495 Credit for electricity purchased by direct service
 18 industrial customers
 19 RCW 82.16.055 Cogeneration facilities and renewable resources
 20 RCW 82.29A.130(14) Professional baseball stadium
 21 RCW 82.29A.130(15) Professional football stadium
 22 RCW 82.29A.130(16) Public facilities districts
 23 RCW 82.29A.135 Gasohol production facilities
 24 RCW 82.35.050 Cogeneration facilities
 25 RCW 82.60.040 Rural county deferral
 26 RCW 82.62.030, 82.62.045 New jobs in rural counties and community
 27 empowerment zones
 28 RCW 82.66.040 Horse race track deferral
 29 RCW 84.36.590 Vitrification equipment
 30 RCW 84.36.635 Alcohol/biodiesel fuel production facilities
 31 RCW 84.36.640 Wood biomass fuel production facilities

32 NEW SECTION. **Sec. 3.** (1) A person receiving a tax incentive must
 33 file an annual survey with the department in a form prescribed by the
 34 department. The survey is due by March 31st of the year following any
 35 year in which the benefit of a tax incentive is received by the person.
 36 The department may extend the time for filing annual surveys under this

1 section, as provided in section 4 of this act. A person receiving more
2 than one tax incentive need only file one survey with the department.

3 (2) The survey must include the following information about the
4 person:

5 (a) The person's name;

6 (b) The person's tax registration number;

7 (c) Type of activity in which the person is engaged in;

8 (d) How long the person has been engaging in business in this
9 state;

10 (e) The tax incentive or incentives being taken; and

11 (f) The total amount of the tax incentives received in the calendar
12 year.

13 (3) The survey must also detail employment, wages, and employer-
14 provided health and retirement benefits per job in the state of
15 Washington. The survey must not include names of employees. The
16 survey must also detail employment by the total number of full-time,
17 part-time, and temporary positions.

18 (4) The survey must include a statement explaining why the person
19 needs the tax incentive in order to create new jobs or to fulfill some
20 other public benefit that raises the living standards of Washington
21 workers or strengthens the Washington state economy.

22 (5) All information collected under this section, including the
23 total amount of tax incentives received, is not subject to the
24 confidentiality provisions of RCW 82.32.330 and may be disclosed to the
25 public upon request.

26 NEW SECTION. **Sec. 4.** (1) If the department finds that the failure
27 of a taxpayer to file by the due date an annual survey under this
28 chapter, or any other statute requiring taxpayers to file annual
29 surveys, was the result of circumstances beyond the control of the
30 taxpayer, the department shall extend the time for filing the survey.
31 The extension shall be for a period of thirty days from the date the
32 department issues its written notification to the taxpayer that it
33 qualifies for an extension under this section. The department may
34 grant additional extensions as it deems proper.

35 (2) In making a determination whether the failure of a taxpayer to
36 file an annual survey by the due date was the result of circumstances
37 beyond the control of the taxpayer, the department shall be guided by

1 rules adopted by the department for the waiver or cancellation of
2 penalties when the underpayment or untimely payment of any tax was due
3 to circumstances beyond the control of the taxpayer.

4 NEW SECTION. **Sec. 5.** (1) Persons required to file surveys with
5 the department under this chapter or any other statute requiring
6 taxpayers to file annual surveys must electronically file with the
7 department all surveys, returns, and any other forms or information the
8 department requires in electronic format, unless the department grants
9 relief under subsection (2) of this section. As used in this section,
10 "return" is defined as provided in RCW 82.32.050.

11 (2) Upon request, the department may relieve a person of the
12 obligations in subsection (1) of this section if the person's taxes
13 have been reduced from all tax incentives a total of less than one
14 thousand dollars in the current calendar year and a total of less than
15 one thousand dollars in the previous calendar year.

16 (3) Persons who no longer qualify for relief under subsection (2)
17 of this section will be notified in writing by the department and must
18 comply with subsection (1) of this section by the date provided in the
19 notice. A person no longer qualifies for relief under subsection (2)
20 of this section when the person's taxes have been reduced a total of at
21 least one thousand dollars in the current calendar year from all tax
22 incentives.

23 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
24 a new chapter in Title 82 RCW.

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