
HOUSE BILL 1682

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Probst, Warnick, Dunshee, Sells, Hurst, Maxwell, Ormsby, and Kelley

Read first time 01/28/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing a business and occupation tax credit
2 for newly hired aerospace apprentices; and adding a new section to
3 chapter 82.04 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) Beginning August 1, 2011, a credit is allowed against any tax
8 due under this chapter for new qualified employment positions created
9 at an eligible business subject to the conditions and requirements of
10 this section.

11 (2) The credit equals five thousand dollars for each new qualified
12 employment position with benefits and wages that provide wage
13 compensation as defined by state registered standards of
14 apprenticeship. The benefits must include a health care plan.

15 (3) The credit may be claimed beginning in the reporting period in
16 which the new qualified employment position is created; however, the
17 employment position must be maintained for at least the eight
18 consecutive full calendar quarters after the calendar quarter during

1 which the qualified employment position is created as provided in
2 subsection (10)(c)(iii) of this section.

3 (4) The department must keep a running total of all credits allowed
4 under this section during each fiscal year. The department may not
5 allow any credits which would cause the total to exceed two hundred
6 fifty thousand dollars in any fiscal year. If all or part of a credit
7 is disallowed under this subsection, the disallowed portion may be
8 carried over into subsequent fiscal years until used; however, the
9 carryover into the next fiscal year is only permitted to the extent
10 that the cap for the next fiscal year is not exceeded.

11 (5) A person may not claim a credit under this section in excess of
12 two thousand five hundred dollars per employee in any calendar year.
13 The credit may be used against any tax due under this chapter, and may
14 be carried over until used. No refunds may be granted for credits
15 under this section.

16 (6) No application is necessary for the tax credit. The person is
17 subject to all of the requirements of chapter 82.32 RCW.

18 (7) If at any time the department finds that a person is not
19 eligible for tax credit under this section, the amount of taxes for
20 which a credit has been claimed is immediately due. The department
21 must assess interest, but not penalties, on the taxes for which the
22 person is not eligible. The interest must be assessed at the rate
23 provided for delinquent excise taxes under chapter 82.32 RCW, is
24 retroactive to the date the tax credit was taken, and accrues until the
25 taxes for which a credit has been used are repaid.

26 (8) A person claiming the credit under this section must file a
27 complete annual report with the department under RCW 82.32.534.

28 (9) A person may not claim a credit under this section if another
29 state excise tax credit has been claimed for the same employment
30 position.

31 (10) The following definitions apply throughout this section,
32 unless the context clearly requires otherwise.

33 (a) "Eligible business" means a business subject to the tax rate
34 under RCW 82.04.260(10).

35 (b) "Health care plan" means any "employee welfare benefit plan" as
36 defined by the employee retirement income security act of 1974, 29
37 U.S.C. Sec. 1001 et seq., and any "health plan" or "health benefit
38 plan" as defined in RCW 48.43.005, for the purpose of providing for its

1 employees or their beneficiaries, through the purchase of insurance or
2 otherwise, health care services. For the purposes of this section,
3 "health care services" means services offered or provided by health
4 care facilities and health care providers relating to the prevention,
5 cure, or treatment of illness, injury, or disease.

6 (c)(i) "Qualified employment position" means a position filled by
7 a permanent full-time apprentice.

8 (ii) For purposes of this subsection (10)(c), "full time" means a
9 normal work week of at least thirty-five hours.

10 (iii) Once a permanent, full-time employee has been employed, a
11 position does not cease to be a qualified employment position solely
12 due to periods in which the position goes vacant, as long as:

13 (A) The cumulative period of any vacancies in that position is not
14 more than one hundred twenty days in the eight-quarter period; and

15 (B) During a vacancy, the employer is actively recruiting a
16 replacement permanent, full-time employee for the position.

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