

SHB 2168 - S AMD 833

By Senator Becker

WITHDRAWN 04/28/2019

1 On page 2, beginning on line 29, insert the following:

2
3 NEW SECTION. **Sec. 3.** (1) This section is the tax preference
4 performance statement for the tax preference contained in section 2,
5 chapter . . ., Laws of 2019 (section 2 of this act). This
6 performance statement is only intended to be used for subsequent
7 evaluation of the tax preference. It is not intended to create a
8 private right of action by any party or to be used to determine
9 eligibility for preferential tax treatment.

10 (2) The legislature categorizes this tax preference as one
11 intended to provide tax relief for certain businesses or
12 individuals, as indicated in RCW 82.32.808(2)(e).

13 (3) It is the legislature's specific public policy objective to
14 reduce the tax burden on individuals and businesses imposed by the
15 existing business and occupation tax rates.

16 (4) If the review finds that at least one cooperative finance
17 organization in this state used the deduction, then the legislature
18 intends to extend the expiration date of this tax deduction.

19 (5) In order to obtain the data necessary to perform the review
20 in subsection (4) of this section, the joint legislative audit and
21 review committee may refer to any data collected by the state.

22

23 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04
24 RCW to read as follows:

25 (1) In computing tax there may be deducted from the measure of
26 tax, amounts received by a cooperative finance organization where
27 the amounts are derived from loans to rural electric cooperatives or

1 other nonprofit or governmental providers of utility services
2 organized under the laws of this state.

3 (2) For the purposes of this section, the following definitions
4 apply:

5 (a) "Cooperative finance organization" means a nonprofit
6 organization with the primary purpose of providing, securing, or
7 otherwise arranging financing for rural electric cooperatives.

8 (b) "Rural electric cooperative" means a nonprofit,
9 customer-owned organization that provides utility services to rural
10 areas.

11 (3) This section expires January 1, 2030."

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EFFECT: Reauthorizes the business and occupation tax deduction
for loan repayments received by cooperative finance organizations
from rural electric cooperatives or other utility nonprofit or
governmental utility providers.

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