
SUBSTITUTE HOUSE BILL 1033

State of Washington

67th Legislature

2021 Regular Session

By House College & Workforce Development (originally sponsored by Representatives Leavitt, Boehnke, Bronoske, Santos, Paul, and Orwall)

READ FIRST TIME 01/22/21.

1 AN ACT Relating to the Washington customized employment training
2 program; amending RCW 82.04.449; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that due to the
5 COVID-19 pandemic, there is new urgency for employer-affordable
6 programs supporting worker training. It is the objective of the
7 legislature to aid in the recruiting, retaining, and expanding of
8 existing small businesses in Washington by extending the expiration
9 of the customized employment training program tax credit to July 1,
10 2026.

11 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
12 performance statement for the tax preference contained in section 3,
13 chapter . . ., Laws of 2021 (section 3 of this act). This performance
14 statement is only intended to be used for subsequent evaluation of
15 the tax preference. It is not intended to create a private right of
16 action by any party or to be used to determine eligibility for
17 preferential tax treatment.

18 (2) The legislature categorizes this tax preference as one
19 intended to accomplish a general purpose, to provide customized

1 workforce development and skill development training that enhance
2 worker skill sets.

3 (3) It is the legislature's specific public policy objective to
4 provide customized training assistance that retains and expands
5 existing businesses in Washington.

6 (4) If a review finds that 75 percent of participating businesses
7 complete the training and repay the customized employment training
8 program loan, then the legislature intends to extend the expiration
9 date of this tax preference.

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

13 **Sec. 3.** RCW 82.04.449 and 2017 c 135 s 20 are each amended to
14 read as follows:

15 (1) In computing the tax imposed under this chapter, a credit is
16 allowed for participants in the Washington customized employment
17 training program created in RCW 28B.67.020. The credit allowed under
18 this section is equal to (~~(fifty)~~) 50 percent of the value of a
19 participant's payments to the employment training finance account
20 created in RCW 28B.67.030. If a participant in the program does not
21 meet the requirements of RCW 28B.67.020(2)(b)(ii), the participant
22 must remit to the department the value of any credits taken plus
23 interest. The credit earned by a participant in one calendar year may
24 be carried over to be credited against taxes incurred in a subsequent
25 calendar year. No credit may be allowed for repayment of training
26 allowances received from the Washington customized employment
27 training program on or after July 1, (~~(2021)~~) 2026.

28 (2) A person claiming the credit provided in this section must
29 file a complete annual tax performance report with the department
30 under RCW 82.32.534.

31 (3) By December 31, 2024, the college board, as defined in RCW
32 28B.50.030, shall submit to the higher education committees of the
33 legislature a report on:

- 34 (a) Industries supported by the program;
35 (b) The geographical location of companies utilizing the program;
36 (c) The number of employees trained;
37 (d) The types of occupations included in the training;
38 (e) The wages of employees trained prior to program entrance and
39 the wage growth one year after training;

1 (f) Retention of employees for a period of one year after
2 training; and

3 (g) Credential attainment of employees upon completion of the
4 training, if applicable.

--- **END** ---