
SUBSTITUTE HOUSE BILL 1279

State of Washington

67th Legislature

2021 Regular Session

By House Finance (originally sponsored by Representatives Rule, Ramel, Bateman, Boehnke, Shewmake, Chapman, Ryu, J. Johnson, Wicks, Senn, Hoff, Walen, Peterson, Hackney, Rude, Callan, Leavitt, Vick, and Harris-Talley)

READ FIRST TIME 02/08/21.

1 AN ACT Relating to modifying the Washington main street program
2 tax incentive to respond to the economic impacts of the COVID-19
3 pandemic; amending RCW 82.73.030; adding a new section to chapter
4 82.73 RCW; creating a new section; repealing 2017 3rd sp.s. c 37 s
5 1406 (uncodified); and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that as a result of
8 the economic impacts of the COVID-19 pandemic, certain businesses
9 that made contributions to a Washington main street community or to
10 the main street trust fund in 2020, and qualified for a credit
11 against the business and occupation tax or public utility tax, have
12 received insufficient revenues, and have insufficient tax
13 liabilities, to allow them to use the full amount of the credit for
14 which they have qualified. With this act, the legislature intends to
15 address this finding by allowing credits earned as result of
16 contributions made in calendar year 2020 to be carried over for an
17 additional two years, and by providing an additional credit against
18 the business and occupation tax or public utility tax.

19 **Sec. 2.** RCW 82.73.030 and 2017 3rd sp.s. c 37 s 103 are each
20 amended to read as follows:

1 (1) Subject to the limitations in this chapter, a credit is
2 allowed against the tax imposed by chapters 82.04 and 82.16 RCW for
3 approved contributions that are made by a person to a program or the
4 main street trust fund.

5 (2) ~~((The))~~ (a) Except as provided in (b) of this subsection or
6 in subsection (8) of this section, the credit allowed under this
7 section is limited to an amount equal to:

8 ~~((a))~~ (i) Seventy-five percent of the approved contribution
9 made by a person to a program; or

10 ~~((b))~~ (ii) Fifty percent of the approved contribution made by a
11 person to the main street trust fund.

12 (b) Beginning with contributions made in calendar year 2021, an
13 additional credit is allowed equal to 15 percent of the approved
14 contribution made by a person to a program and an additional credit
15 is allowed equal to 40 percent of the approved contribution made by a
16 person to the main street fund.

17 (3) The department may not approve credit with respect to a
18 program in a city or town with a population of one hundred ninety
19 thousand persons or more.

20 (4) The department must keep a running total of all credits
21 approved under this chapter for each calendar year. The department
22 may not approve any credits under this section that would cause the
23 total amount of approved credits statewide to exceed ~~((two million~~
24 ~~five hundred thousand dollars))~~ \$5,000,000 in any calendar year,
25 except as provided in subsection (8) of this section.

26 (5) (a) (i) The total credits allowed under this chapter for
27 contributions made to each program may not exceed ~~((one hundred~~
28 ~~thousand dollars))~~ \$160,000 in a calendar year, except as provided in
29 subsection (8) of this section.

30 (ii) Between 8:00 a.m., Pacific standard time, on the second
31 Monday in January and ~~((March 31st))~~ 8:00 a.m., Pacific daylight
32 time, on April 1st of the same calendar year, the department must
33 evenly allocate the amount of statewide credits allowed under
34 subsection (4) of this section based on the total number of programs
35 and the main street trust fund as of January 1st in the same calendar
36 year. The department may not approve contributions for a program or
37 the main street trust fund that would cause the total amount of
38 approved credits for a program or the main street trust fund to
39 exceed the allocated amount.

1 (b) The total credits allowed under this chapter for a person may
2 not exceed two hundred fifty thousand dollars in a calendar year,
3 except as provided in subsection (8) of this section.

4 (6) ~~((The))~~ Except as provided in subsection (9) of this section,
5 the credit may be claimed against any tax due under chapters 82.04
6 and 82.16 RCW only in the calendar year immediately following the
7 calendar year in which the credit was approved by the department and
8 the contribution was made to the program or the main street trust
9 fund. Credits may not be carried over to subsequent years. No refunds
10 may be granted for credits under this chapter.

11 (7) ~~((The))~~ Except as provided in subsection (8) of this section,
12 the total amount of the credit claimed in any calendar year by a
13 person may not exceed the lesser amount of:

14 (a) The approved credit; or

15 (b) ~~((Seventy-five))~~ Ninety percent of the amount of the
16 contribution that is made by the person to a program and fifty
17 percent of the amount of the contribution that is made by the person
18 to the main street trust fund, in the prior calendar year.

19 (8) For any person receiving credits provided in accordance with
20 this chapter for approved contributions made in calendar year 2020 as
21 provided in subsection (2) (a) (i) and (ii) of this section:

22 (a) An additional credit is allowed equal to 15 percent of the
23 approved contribution made by a person to a program.

24 (b) The additional credit provided in (a) of this subsection (8)
25 may be claimed against any tax due under chapters 82.04 and 82.16 RCW
26 beginning after the effective date of this section. Credits may be
27 carried over for two subsequent years after 2021 and must be used by
28 December 31, 2023. No refunds may be granted for credits under this
29 chapter.

30 (c) The limitations provided in subsections (4), (5), and (7) of
31 this section do not apply to the additional credit provided in this
32 subsection (8).

33 (9) Any credits provided in accordance with this chapter for
34 approved contributions made in calendar year 2020 may be carried over
35 for an additional two years and must be used by December 31, 2023.

36 (10) No credit is allowed or may be claimed under this section on
37 or after January 1, 2032.

38 NEW SECTION. Sec. 3. A new section is added to chapter 82.73
39 RCW to read as follows:

1 This chapter expires January 1, 2032.

2 NEW SECTION. **Sec. 4.** 2017 3rd sp.s. c 37 s 1406 (uncodified) is
3 repealed.

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