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

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

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

Sec. 2. RCW 82.73.030 and 2017 3rd sp.s. c 37 s 103 are each
amended to read as follows:
(1) Subject to the limitations in this chapter, a credit is allowed against the tax imposed by chapters 82.04 and 82.16 RCW for approved contributions that are made by a person to a program or the main street trust fund.

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

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

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

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

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

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

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

(ii) Between 8:00 a.m., Pacific standard time, on the second Monday in January and ((March 31st)) 8:00 a.m., Pacific daylight time, on April 1st of the same calendar year, the department must evenly allocate the amount of statewide credits allowed under subsection (4) of this section based on the total number of programs and the main street trust fund as of January 1st in the same calendar year. The department may not approve contributions for a program or the main street trust fund that would cause the total amount of approved credits for a program or the main street trust fund to exceed the allocated amount.
(b) The total credits allowed under this chapter for a person may not exceed two hundred fifty thousand dollars in a calendar year, except as provided in subsection (8) of this section.

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

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

(a) The approved credit; or

(b) Ninety percent of the amount of the contribution that is made to a program and fifty percent of the amount of the contribution that is made to the main street trust fund, in the prior calendar year.

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

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

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

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

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

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

NEW SECTION. Sec. 3. A new section is added to chapter 82.73 RCW to read as follows:
This chapter expires January 1, 2032.

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

--- END ---