
HOUSE BILL 1279

State of Washington

67th Legislature

2021 Regular Session

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 01/19/21. Referred to Committee on Finance.

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.

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

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

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

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

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

39 (6) ~~((The))~~ Except as provided in subsection (9) of this section,
40 the credit may be claimed against any tax due under chapters 82.04

1 and 82.16 RCW only in the calendar year immediately following the
2 calendar year in which the credit was approved by the department and
3 the contribution was made to the program or the main street trust
4 fund. Credits may not be carried over to subsequent years. No refunds
5 may be granted for credits under this chapter.

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

9 (a) The approved credit; or

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

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

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

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

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

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

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

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

35 This chapter expires January 1, 2032.

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

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