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**HOUSE BILL 2261**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representative Reeves

AN ACT Relating to a tax preference requirement for employee student loans; and adding a new section to chapter 82.04 RCW.

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

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

(1) For all tax preferences created, expanded, or extended under this chapter on or after January 1, 2025, a taxpayer receiving a tax preference must provide student loan payment assistance to full-time permanent employees working in a position that requires a baccalaureate degree or advanced degree according to industry standards.

(2) Student loan payment assistance required under this section may include providing employees one of the following options:

(a) A signing bonus;

(b) An additional sum to an employee's regular paycheck amount;

(c) Reoccurring payments directly to an employee's student loan servicer or through a third-party loan servicer or application;

(d) A trade-in for unused vacation time for moneys the employee must use to pay towards their student loans; and

(e) An additional employer retirement contribution matching an amount the employee pays out of each paycheck towards student loans.

(3)(a) A certificate of compliance that attests to a taxpayer's compliance with subsection (1) of this section is required to be submitted by the taxpayer and verified by the department.

(b) The certificate must be in a form and manner prescribed by the department.

(4)(a) If a taxpayer fails to submit a certificate of compliance or the payment required under this section, the department must declare:

(i) 35 percent of the amount of the tax preference claimed for the previous calendar year to be immediately due and payable;

(ii) An additional 15 percent of the amount of the tax preference claimed for the previous calendar year to be immediately due and payable if the person has previously been assessed under this subsection for failure to submit a certificate of compliance or payment under this section for the same tax preference; and

(iii) If the tax preference is a deferral of tax, the deferred tax divided by the number of years in the repayment period to be immediately due and payable. If the economic benefits of the deferral are passed to a lessee, the lessee is responsible for payment to the extent the lessee has received the economic benefit.

(b) The department may not assess interest or penalties on amounts due under this subsection (4).

(5) The department may adopt rules necessary to implement this section.

(6) Chapter 82.32 RCW applies to this act.

(7) For purposes of this section:

(a) "Advanced degree" means a degree program beyond the baccalaureate level and includes graduate and professional degree programs.

(b) "Student loan" means a student educational loan for higher education expenses at an accredited institution of higher education in the United States.

(c) "Tax preference" has the same definition as in RCW 43.136.021.

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