



STATE OF WASHINGTON  
DEPARTMENT OF REVENUE  
OFFICE OF THE DIRECTOR

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December 19, 2022

**TO:** Sarah Banister, Secretary  
Washington State Senate

Bernard Dean, Chief Clerk  
Washington State House of Representatives

**FROM:** John Ryser, Acting Director

**SUBJECT:** Descriptive Statistics 2022 Report

The Revised Code of Washington (RCW 82.32.534) requires the Department of Revenue (department) to summarize data from the annual tax performance report for select tax incentive programs by December 31. This statute requires the department to summarize report information in descriptive statistics by category. No fewer than three taxpayers may be included in any category.

Taxpayers (participants) must file their annual tax performance report by May 31 for incentives claimed the preceding year. This report covers incentives claimed for Calendar Year 2021.

The department's Taxpayer Account Administration Division administers the annual tax performance report and is responsible for posting the public disclosure information on the department's website. The Research and Fiscal Analysis Division compiled the Descriptive Statistics.

The report is also available on our website at:

<https://dor.wa.gov/about/statistics-reports/descriptive-statistics>

If you have questions about this report, please contact Kathy Oline, Assistant Director, Research and Fiscal Analysis, at 360-534-1534.

Attachment

cc: Members, Senate Ways and Means Committee  
Members, House Finance Committee  
Members, House Appropriations Committee  
David Schumacher, Director, Office of Financial Management  
Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor

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Descriptive Statistics for Select Tax Incentive Programs

2022 Report to the Legislature

Covering Calendar Year 2021 Activity

John Ryser, Acting Director

Washington State Department of Revenue

December 2022



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## Executive summary

The Revised Code of Washington (RCW 82.32.534) requires the Department of Revenue (department) to summarize data from the annual tax performance report for select tax incentive programs by December 31. Taxpayers (participants) must file their report by May 31 for incentives claimed the preceding year. Prior to the due date, the department makes a concerted effort to remind known participants of their filing requirement(s). Participants submitting their report late may qualify for an extension. If they do not qualify for an extension, they must pay back a portion of the incentive claimed. The department included late filings in our analysis since the participant received a portion of the incentive.

The annual tax performance report requires all participants to provide the tax incentive amount as well as employment data. Participants report Washington employment data in two separate tables. The first table represents employment and wages for the entire calendar year. The second table represents the annual employment and wages based on those employed as of December 31 of the year covered by this report. To simplify reporting, participants can authorize the department to obtain employment information directly from the Employment Security Department for the first table. Based on the incentive selected, the electronic report may present additional questions relating to employment and incentive activity.

This report represents information provided by participants, and corrections made during the department's review, for incentives claimed in Calendar Year 2021. There were 44 tax incentive programs requiring an annual tax performance report with only 34 programs reporting activity. This year's publication summarizes data from 1,535 reports and covers 25 incentives with three or more taxpayers (participants). The business and occupation tax, public utility tax, and sales and use tax incentives included in this report reduced state and local tax revenues by \$724 million in Calendar Year 2021. The participants reported almost 719,000 employees located in Washington State as of December 31, 2021. The summarized data with corrections is as of October 25, 2022.

## 2021 Incentive Highlights

| <b>Most participants by incentive program</b>                             | <b>Number of participants</b> |
|---|-------------------------------|
| Timber industry reduced business and occupation (B&O) tax rate            | 655                           |
| Fruit and vegetable processors B&O tax exemption                          | 246                           |
| Aerospace product development reduced B&O tax rate                        | 116                           |
| Newspaper reduced B&O tax rate  | 71                            |
| <b>Largest revenue impact by incentive program</b>                        | <b>Tax saved (millions)</b>   |
| High technology sales and use tax deferral                                | \$382                         |
| Data centers sales and use tax exemption                                  | \$95                          |
| Aerospace property and leasehold taxes B&O tax credit                     | \$57                          |
| Aerospace preproduction expenditures B&O tax credit                       | \$50                          |
| <b>Washington employment by incentive program as of December 31, 2021</b> | <b>Number of jobs</b>         |
| High technology sales and use tax deferral                                | 245,273                       |
| Data center sales and use tax exemption                                   | 147,346                       |
| Aerospace property and leasehold taxes B&O tax credit                     | 60,589                        |
| Aerospace preproduction expenditures B&O tax credit                       | 60,081                        |

## **Incentives with no annual tax performance report filed for 2021**

- Aerospace FAR part 145 repair station sales and use tax exemption.
- Aerospace leasehold tax exemption for superefficient airplane manufacturers.
- Aerospace manufacturing site sales and use tax exemption.
- Aerospace personal property tax exemption for superefficient airplane manufacturers.
- Aluminum smelters property tax B&O tax credit.
- Aluminum smelters reduced B&O tax rate.
- Aluminum smelters sales and use tax credit.
- Aluminum smelters use tax exemption for compressed/liquefied natural gas.
- Silicon smelter exemption.
- Solar energy systems manufacturers or processors sales and use tax exemption.

## **Incentives – confidential taxpayer information**

Fewer than three taxpayers utilized each of the incentives below; therefore, the department excluded these incentives from this publication due to restrictions on the disclosure of confidential taxpayer information.

- Agricultural crop protection products sales and use tax exemption.
- Electrolytic processing industry tax incentives.
- Eligible behavioral health program tax deduction.
- Gas distribution business sales and use tax exemption.
- Rural sales and use tax deferral.
- Semiconductor manufacturers reduced B&O rate.
- Semiconductor sales and use tax exemption.
- Standard financial information sales and use tax exemption.
- Veteran employer public utility tax credit.

The rest of this publication provides detailed information by incentive program.



## Understanding this publication

### Combining data

Participants can file multiple incentives on one annual tax performance report. The employee count for each report represents the total employees in Washington for the participant and not by incentive. Each incentive filed by the participant will have the same employee count throughout this publication. As a result, adding the employee counts for multiple incentives may overstate the number of employees.

### Incentive amounts

Participants declare tax savings on the report. The tax savings calculations differ by incentive type:

- Credits taken against B&O or public utility tax.
- Deductions or exemptions from B&O tax.
- Deferrals or exemptions from sales and use tax.
- Preferential B&O tax rates, for which the participant reports the difference in tax liability between the preferred and general rates.

### Employment data used to group participants

The annual tax performance report requests employment data for the entire calendar year and employment data as of December 31. Employment data for the calendar year has the same or more employees than the amount reported as of December 31. This report groups participants by total employees as of December 31. Incentives with more employees in the entire calendar year than employees on December 31 may create some disparity between employment size and total number of employees in the data tables.

### Data tables

This report presents five tables for each incentive.

- The first table reflects the incentive amounts and number of participants by employment size.
- The second and third tables represent the annual employment data for the calendar year.
- The fourth and fifth tables summarize the annual employment data for employees employed on December 31, 2021.

Eleven incentives have three additional employment tables.

- The sixth table displays the employee count and percentage by occupation.
- The seventh table provides the percentage of employees by employment status and occupation class.
- The eighth table lists the percent distribution of employees by occupation and hourly wage.

The totals in the tables may not add to 100% or may be slightly more than 100% due to rounding. The high technology sales and use tax deferral and the public institution sales and use tax exemption declare tax incentive savings in each high technology category.

### Deferral programs

For the sales and use tax deferral programs, the revenue reflects total state and local tax deferred for each qualified project. Participants declare the total amount for eight years, starting the year after the project is operationally complete. Therefore, adding the total deferral amounts for each year will result in overstated deferred amounts.

## Overview of tax incentives for Calendar Year 2021

| Tax incentives by major industry   | Participants | Total jobs <sup>1</sup> | Tax savings   |
|--|--------------|-------------------------|---------------|
| <b>Aerospace</b>   |              |                         |               |
| Computer, software, and peripheral sales and use tax exemption                       | 20           | 56,564                  | \$9,418,632   |
| FAR Part 145 station reduced B&O tax rate  | 38           | 2,616                   | \$478,224     |
| Preproduction expenditures B&O tax credit  | 50           | 60,081                  | \$50,453,670  |
| Product development reduced B&O tax rate   | 116          | 3,149                   | \$1,747,690   |
| Property and leasehold taxes B&O tax credit  | 24           | 60,589                  | \$57,104,533  |
| <b>Agricultural products</b>   |              |                         |               |
| Agricultural crop protection products hazardous substance tax exemption <sup>2</sup> | CTI          | CTI                     | CTI           |
| Agricultural sales and use tax deferrals   | 5            | 5,877                   | \$14,543,334  |
| Dairy products manufacturers B&O tax exemption                                       | 24           | 2,732                   | \$5,601,808   |
| Fruit and vegetable processors B&O tax exemption                                     | 246          | 20,549                  | \$19,525,643  |
| Seafood processors B&O tax exemption   | 26           | 3,274                   | \$2,192,517   |
| <b>Employer credits</b>  |              |                         |               |
| Customized employment training B&O tax credit  | 4            | 255                     | \$6,881       |
| Veteran employer B&O tax credit  | 13           | 1,076                   | \$17,929      |
| Veteran employer PUT credits <sup>2</sup>  | CTI          | CTI                     | CTI           |
| <b>General manufacturing</b>   |              |                         |               |
| High unemployment sales and use tax deferrals  | 67           | 12,653                  | \$35,629,173  |
| Manufacturers sales and use tax deferral   | 4            | 265                     | \$1,648,834   |
| Rural county sales and use tax deferral <sup>2</sup>                                 | CTI          | CTI                     | CTI           |
| <b>High technology and computing</b>   |              |                         |               |
| Biotechnology sales and use tax deferral   | 6            | 2,129                   | \$4,871,928   |
| Data center sales and use tax exemption  | 22           | 147,346                 | \$94,923,824  |
| High technology sales and use tax deferral   | 53           | 245,273                 | \$381,784,990 |
| Public research institution equipment sales and use tax exemption                    | 3            | 50,914                  | \$5,254,108   |
| <b>Renewable energy</b>  |              |                         |               |
| Renewable energy light and power business PUT credit                                 | 45           | 12,554                  | \$15,405,051  |
| Solar energy systems manufacturers or wholesalers reduced B&O tax rate               | 3            | 78                      | \$19,522      |
| <b>Timber</b>  |              |                         |               |
| Hog fuel sales and use tax exemption   | 14           | 3,862                   | \$2,278,594   |
| Timber and wood products reduced B&O tax rate  | 655          | 17,907                  | \$17,381,532  |
| <b>Other programs</b>  |              |                         |               |
| Electrolytic processing industry incentives <sup>2</sup>                             | CTI          | CTI                     | CTI           |
| Eligible behavioral health program deduction <sup>2</sup>                            | CTI          | CTI                     | CTI           |
| Gas distribution business sales and use tax exemption <sup>2</sup>                   | CTI          | CTI                     | CTI           |
| Newspaper reduced B&O tax rate   | 71           | 2,347                   | \$451,379     |
| Semiconductor manufacturers reduced B&O tax rate <sup>2</sup>                        | CTI          | CTI                     | CTI           |
| Semiconductor sales and use tax exemption <sup>2</sup>                               | CTI          | CTI                     | CTI           |
| Standard financial information sales and use tax exemption <sup>2</sup>              | CTI          | CTI                     | CTI           |
| Washington Filmworks contributors B&O tax credit                                     | 11           | 6,871                   | \$3,500,000   |

<sup>1</sup>Total jobs as of December 31, 2021.

<sup>2</sup>Fewer than three participants; therefore, confidential taxpayer information (CTI).

## Chapter 1 – Aerospace industry

Nine aerospace industry incentives require participants to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

### Aerospace computer, software, and peripherals sales and use tax exemption

Computer hardware, software, and peripherals used primarily to develop, design, or engineer aerospace products or provide aerospace services are exempt from retail sales and use tax. Any charge for labor and services rendered in respect to the installation of the equipment is also exempt. This exemption expires July 1, 2040 (RCW 82.08.975; RCW 82.12.975).

#### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| Less than 50    | 13           | \$83,431           |
| 50 or more      | 7            | 9,335,200          |
| <b>Total</b>    | <b>20</b>    | <b>\$9,418,632</b> |

#### Annual employment data for Calendar Year 2021

##### Percent of employees based on quarters worked

| Employment size | WA employees  | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------|--|--|
| Less than 50    | 218           | 56.4%                                  | 43.6%  |
| 50 or more      | 56,584        | 99.6%                                  | 0.4%   |
| <b>Total</b>    | <b>56,802</b> | <b>99.4%</b>                           | <b>0.6%</b>                                  |

##### Percent of wages based on quarters worked

| Employment size | Total wages            | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|------------------------|--|--|
| Less than 50    | \$17,185,005           | 70.0%                                  | 30.0%  |
| 50 or more      | 6,923,632,440          | 99.9%                                  | 0.1%   |
| <b>Total</b>    | <b>\$6,940,817,445</b> | <b>99.8%</b>                           | <b>0.2%</b>                                  |

## Aerospace computer, software, and peripherals sales and use tax exemption

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees  | Full-time    | Part-time   | Temporary   |
|-----------------|---------------|--------------|-------------|-------------|
| Less than 50    | 143           | 93.7%        | 4.9%        | 1.4%        |
| 50 or more      | 56,421        | 99.8%        | 0.2%        | 0.0%        |
| <b>Total</b>    | <b>56,564</b> | <b>99.8%</b> | <b>0.2%</b> | <b>0.0%</b> |

#### Percent of wages by employment status

| Employment size | Total wages            | Full-time    | Part-time   | Temporary   |
|-----------------|------------------------|--------------|-------------|-------------|
| Less than 50    | \$12,060,647           | 97.2%        | 2.7%        | 0.0%        |
| 50 or more      | 6,919,878,902          | 99.9%        | 0.1%        | 0.0%        |
| <b>Total</b>    | <b>\$6,931,939,549</b> | <b>99.9%</b> | <b>0.1%</b> | <b>0.0%</b> |

#### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 5,081               | 9.0%                    |
| Business, financial, and legal operations | 4,616               | 8.2%                    |
| Computer, math, architect, and engineer   | 15,694              | 27.7%                   |
| Life, physical, and social science        | 130                 | 0.2%                    |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 119                 | 0.2%                    |
| Healthcare practitioners and support      | 39                  | 0.1%                    |
| Protective services and maintenance       | 1,020               | 1.8%                    |
| Sales and service                         | 258                 | 0.5%                    |
| Office and administrative support         | 1,337               | 2.4%                    |
| Construction and extraction               | 93                  | 0.2%                    |
| Installation, maintenance, and repair     | 3,566               | 6.3%                    |
| Production and non-construction trades    | 22,149              | 39.2%                   |
| Transportation and material moving        | 1,100               | 1.9%                    |
| Other                                     | 1,362               | 2.4%                    |
| <b>Total</b>                              | <b>56,564</b>       | <b>100.0%</b>           |

## Aerospace computer, software, and peripherals sales and use tax exemption

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 100.0%       | 0.0%        | 0.0%        |
| Business, financial, and legal operations | 99.7%        | 0.3%        | 0.0%        |
| Computer, math, architect, and engineer   | 99.5%        | 0.5%        | 0.0%        |
| Life, physical, and social science        | 100.0%       | 0.0%        | 0.0%        |
| Community and social services             | 0.0%         | 0.0%        | 0.0%        |
| Education, training, and library          | 100.0%       | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 100.0%       | 0.0%        | 0.0%        |
| Protective services and maintenance       | 100.0%       | 0.0%        | 0.0%        |
| Sales and service                         | 100.0%       | 0.0%        | 0.0%        |
| Office and administrative support         | 99.5%        | 0.5%        | 0.0%        |
| Construction and extraction               | 100.0%       | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 100.0%       | 0.0%        | 0.0%        |
| Production and non-construction trades    | 100.0%       | 0.0%        | 0.0%        |
| Transportation and material moving        | 100.0%       | 0.0%        | 0.0%        |
| Other                                     | 99.9%        | 0.1%        | 0.0%        |
| <b>Total</b>                              | <b>99.8%</b> | <b>0.2%</b> | <b>0.0%</b> |

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to \$15.00 | \$15.01-\$20.00 | \$20.01-\$25.00 | \$25.01-\$30.00 | \$30.01-\$50.00 | \$50.01 & over |
|---|---------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Management                                | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 1.7%            | 98.3%          |
| Business, financial, and legal operations | 0.0%          | 0.0%            | 0.2%            | 1.5%            | 41.0%           | 57.3%          |
| Computer, math, architect, and engineer   | 0.0%          | 0.0%            | 0.1%            | 1.1%            | 23.6%           | 75.2%          |
| Life, physical, and social science        | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 46.9%           | 53.1%          |
| Community and social services             | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 0.0%            | 0.0%           |
| Education, training, and library          | 0.0%          | 9.2%            | 0.8%            | 0.0%            | 33.6%           | 56.3%          |
| Healthcare practitioners and support      | 0.0%          | 0.0%            | 0.0%            | 17.9%           | 51.3%           | 30.8%          |
| Protective services and maintenance       | 3.1%          | 16.7%           | 15.9%           | 3.7%            | 39.6%           | 21.0%          |
| Sales and service                         | 0.0%          | 0.0%            | 0.4%            | 0.8%            | 7.8%            | 91.1%          |
| Office and administrative support         | 0.0%          | 0.5%            | 0.9%            | 3.1%            | 52.1%           | 43.3%          |
| Construction and extraction               | 0.0%          | 2.2%            | 22.6%           | 2.2%            | 73.1%           | 0.0%           |
| Installation, maintenance, and repair     | 0.0%          | 0.1%            | 0.9%            | 3.9%            | 95.1%           | 0.0%           |
| Production and non-construction trades    | 0.0%          | 3.3%            | 17.0%           | 5.9%            | 70.7%           | 3.1%           |
| Transportation and material moving        | 0.0%          | 0.1%            | 2.0%            | 5.0%            | 74.4%           | 18.5%          |
| Other                                     | 0.0%          | 0.0%            | 0.1%            | 0.3%            | 32.3%           | 67.3%          |
| <b>Total</b>                              | <b>0.1%</b>   | <b>1.6%</b>     | <b>7.2%</b>     | <b>3.2%</b>     | <b>48.3%</b>    | <b>39.6%</b>   |

## Aerospace FAR Part 145 repair stations reduced B&O tax rate

Qualified aircraft repair facilities certified by the Federal Aviation Administration as a “FAR Part 145” repair facility receive a reduced B&O tax rate of 0.2904%. Without the preferential rate, these businesses would be subject to the 0.484% rate applicable to the retailing of interstate transportation equipment. The preferred B&O tax rate expires July 1, 2040 (RCW 82.04.250).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed |
|-----------------|--------------|-------------------|
| Less than 50    | 27           | \$112,664         |
| 50 or more      | 11           | 365,561           |
| <b>Total</b>    | <b>38</b>    | <b>\$478,224</b>  |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 50    | 390          | 64.1%                                  | 35.9%  |
| 50 or more      | 2,763        | 70.9%                                  | 29.1%  |
| <b>Total</b>    | <b>3,153</b> | <b>70.1%</b>                           | <b>29.9%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 50    | \$19,702,786         | 84.5%                                  | 15.5%  |
| 50 or more      | 175,745,545          | 87.1%                                  | 12.9%  |
| <b>Total</b>    | <b>\$195,448,331</b> | <b>86.8%</b>                           | <b>13.2%</b>                                 |

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary   |
|-----------------|--------------|--------------|-------------|-------------|
| Less than 50    | 335          | 96.7%        | 2.1%        | 1.2%        |
| 50 or more      | 2,281        | 99.1%        | 0.2%        | 0.7%        |
| <b>Total</b>    | <b>2,616</b> | <b>98.8%</b> | <b>0.4%</b> | <b>0.8%</b> |

#### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 50    | \$18,219,907         | 99.2%        | 0.7%        | 0.1%        |
| 50 or more      | 158,529,116          | 99.9%        | 0.0%        | 0.1%        |
| <b>Total</b>    | <b>\$176,749,023</b> | <b>99.8%</b> | <b>0.1%</b> | <b>0.1%</b> |

### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 214                 | 8.2%                    |
| Business, financial, and legal operations | 165                 | 6.3%                    |
| Computer, math, architect, and engineer   | 449                 | 17.2%                   |
| Life, physical, and social science        | 0                   | 0.0%                    |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 0                   | 0.0%                    |
| Healthcare practitioners and support      | 0                   | 0.0%                    |
| Protective services and maintenance       | 27                  | 1.0%                    |
| Sales and service                         | 80                  | 3.1%                    |
| Office and administrative support         | 211                 | 8.1%                    |
| Construction and extraction               | 0                   | 0.0%                    |
| Installation, maintenance, and repair     | 872                 | 33.3%                   |
| Production and non-construction trades    | 529                 | 20.2%                   |
| Transportation and material moving        | 69                  | 2.6%                    |
| Other                                     | 0                   | 0.0%                    |
| <b>Total</b>                              | <b>2,616</b>        | <b>100.0%</b>           |

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 100.0%       | 0.0%        | 0.0%        |
| Business, financial, and legal operations | 100.0%       | 0.0%        | 0.0%        |
| Computer, math, architect, and engineer   | 100.0%       | 0.0%        | 0.0%        |
| Life, physical, and social science        | 0.0%         | 0.0%        | 0.0%        |
| Community and social services             | 0.0%         | 0.0%        | 0.0%        |
| Education, training, and library          | 0.0%         | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 0.0%         | 0.0%        | 0.0%        |
| Protective services and maintenance       | 85.2%        | 14.8%       | 0.0%        |
| Sales and service                         | 100.0%       | 0.0%        | 0.0%        |
| Office and administrative support         | 92.4%        | 7.6%        | 0.0%        |
| Construction and extraction               | 0.0%         | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 99.3%        | 0.7%        | 0.0%        |
| Production and non-construction trades    | 99.6%        | 0.4%        | 0.0%        |
| Transportation and material moving        | 100.0%       | 0.0%        | 0.0%        |
| Other                                     | 0.0%         | 0.0%        | 0.0%        |
| <b>Total</b>                              | <b>98.9%</b> | <b>1.1%</b> | <b>0.0%</b> |

## Aerospace FAR Part 145 repair stations reduced B&O tax rate

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& over |
|---|------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Management                                | 0.0%             | 0.5%                | 0.9%                | 3.3%                | 28.0%               | 67.3%             |
| Business, financial, and legal operations | 0.0%             | 13.9%               | 12.7%               | 9.1%                | 38.2%               | 26.1%             |
| Computer, math, architect, and engineer   | 0.0%             | 0.9%                | 1.3%                | 5.1%                | 51.9%               | 40.8%             |
| Life, physical, and social science        | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Community and social services             | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Education, training, and library          | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Healthcare practitioners and support      | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Protective services and maintenance       | 0.0%             | 22.2%               | 25.9%               | 33.3%               | 18.5%               | 0.0%              |
| Sales and service                         | 0.0%             | 0.0%                | 18.8%               | 12.5%               | 43.8%               | 25.0%             |
| Office and administrative support         | 0.5%             | 21.3%               | 19.9%               | 16.1%               | 34.6%               | 7.6%              |
| Construction and extraction               | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Installation, maintenance, and repair     | 0.0%             | 17.4%               | 16.6%               | 20.3%               | 45.0%               | 0.7%              |
| Production and non-construction trades    | 1.1%             | 22.3%               | 28.4%               | 27.0%               | 20.2%               | 0.9%              |
| Transportation and material moving        | 1.4%             | 39.1%               | 39.1%               | 11.6%               | 8.7%                | 0.0%              |
| Other                                     | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| <b>Total</b>                              | <b>0.3%</b>      | <b>14.4%</b>        | <b>15.9%</b>        | <b>16.3%</b>        | <b>37.2%</b>        | <b>15.9%</b>      |



## Aerospace preproduction expenditures B&O tax credit

Businesses engaged in aerospace product development are eligible for a B&O tax credit equal to 1.5% of qualified expenditures. Qualified expenditures include research, design, and engineering costs incurred in the development of aerospace products. Qualified expenditures exclude actual production-related costs. Commercial airplane and component manufacturers are eligible for the credit on expenditures incurred after December 1, 2003. Others are eligible for the credit on expenditures incurred after June 30, 2008. This credit expires July 1, 2040 (RCW 82.04.4461).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed   |
|-----------------|--------------|---------------------|
| Less than 50    | 34           | \$391,251           |
| 50 to 250       | 11           | \$734,959           |
| More than 250   | 5            | \$49,327,461        |
| <b>Total</b>    | <b>50</b>    | <b>\$50,453,670</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees  | Employees who worked all four quarters | Employees who worked all four quarters |
|-----------------|---------------|--|--|
| Less than 50    | 450           | 61.8%                                  | 38.2%                                  |
| 50 to 250       | 1,397         | 69.1%                                  | 30.9%                                  |
| More than 250   | 59,151        | 98.5%                                  | 1.5%                                   |
| <b>Total</b>    | <b>60,998</b> | <b>97.5%</b>                           | <b>2.5%</b>                            |

#### Percent of wages based on quarters worked

| Employment size | Total wages            | Employees who worked all four quarters | Employees who worked all four quarters |
|-----------------|------------------------|--|--|
| Less than 50    | \$38,801,050           | 78.0%                                  | 22.0%                                  |
| 50 to 250       | 110,316,473            | 87.7%                                  | 12.3%                                  |
| More than 250   | 7,107,429,800          | 99.5%                                  | 0.5%                                   |
| <b>Total</b>    | <b>\$7,256,547,323</b> | <b>99.2%</b>                           | <b>0.8%</b>                            |

## Aerospace preproduction expenditures B&O tax credit

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees  | Full-time    | Part-time   | Temporary   |
|-----------------|---------------|--------------|-------------|-------------|
| Less than 50    | 321           | 93.5%        | 6.5%        | 0.0%        |
| 50 to 250       | 1,162         | 98.0%        | 1.9%        | 0.1%        |
| More than 250   | 58,598        | 99.8%        | 0.2%        | 0.0%        |
| <b>Total</b>    | <b>60,081</b> | <b>99.7%</b> | <b>0.2%</b> | <b>0.0%</b> |

#### Percent of wages by employment status

| Employment size | WA employees           | Full-time    | Part-time   | Temporary   |
|-----------------|------------------------|--------------|-------------|-------------|
| Less than 50    | \$31,473,966           | 95.2%        | 4.8%        | 0.0%        |
| 50 to 250       | 102,658,950            | 98.5%        | 1.4%        | 0.0%        |
| More than 250   | 7,083,084,411          | 99.9%        | 0.1%        | 0.0%        |
| <b>Total</b>    | <b>\$7,217,217,327</b> | <b>99.9%</b> | <b>0.1%</b> | <b>0.0%</b> |

#### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 5,375               | 8.9%                    |
| Business, financial, and legal operations | 4,761               | 7.9%                    |
| Computer, math, architect, and engineer   | 16,678              | 27.8%                   |
| Life, physical, and social science        | 130                 | 0.2%                    |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 106                 | 0.2%                    |
| Healthcare practitioners and support      | 39                  | 0.1%                    |
| Protective services and maintenance       | 1,048               | 1.7%                    |
| Sales and service                         | 346                 | 0.6%                    |
| Office and administrative support         | 1,513               | 2.5%                    |
| Construction and extraction               | 93                  | 0.2%                    |
| Installation, maintenance, and repair     | 4,085               | 6.8%                    |
| Production and non-construction trades    | 23,385              | 38.9%                   |
| Transportation and material moving        | 1,160               | 1.9%                    |
| Other                                     | 1,362               | 2.3%                    |
| <b>Total</b>                              | <b>60,081</b>       | <b>100.0%</b>           |

## Aerospace preproduction expenditures B&O tax credit

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 100.0%       | 0.0%        | 0.0%        |
| Business, financial, and legal operations | 99.6%        | 0.4%        | 0.0%        |
| Computer, math, architect, and engineer   | 99.4%        | 0.6%        | 0.0%        |
| Life, physical, and social science        | 100.0%       | 0.0%        | 0.0%        |
| Community and social services             | 0.0%         | 0.0%        | 0.0%        |
| Education, training, and library          | 100.0%       | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 100.0%       | 0.0%        | 0.0%        |
| Protective services and maintenance       | 99.9%        | 0.1%        | 0.0%        |
| Sales and service                         | 99.7%        | 0.3%        | 0.0%        |
| Office and administrative support         | 99.3%        | 0.7%        | 0.0%        |
| Construction and extraction               | 100.0%       | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 100.0%       | 0.0%        | 0.0%        |
| Production and non-construction trades    | 99.9%        | 0.1%        | 0.0%        |
| Transportation and material moving        | 100.0%       | 0.0%        | 0.0%        |
| Other                                     | 99.9%        | 0.1%        | 0.0%        |
| <b>Total</b>                              | <b>99.8%</b> | <b>0.2%</b> | <b>0.0%</b> |

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to \$15.00 | \$15.01-\$20.00 | \$20.01-\$25.00 | \$25.01-\$30.00 | \$30.01-\$50.00 | \$50.01 & over |
|---|---------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Management                                | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 3.0%            | 96.9%          |
| Business, financial, and legal operations | 0.0%          | 0.5%            | 0.5%            | 1.8%            | 40.7%           | 56.6%          |
| Computer, math, architect, and engineer   | 0.0%          | 0.1%            | 0.2%            | 1.2%            | 24.6%           | 74.0%          |
| Life, physical, and social science        | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 46.9%           | 53.1%          |
| Community and social services             | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 0.0%            | 0.0%           |
| Education, training, and library          | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 36.8%           | 63.2%          |
| Healthcare practitioners and support      | 0.0%          | 0.0%            | 0.0%            | 17.9%           | 51.3%           | 30.8%          |
| Protective services and maintenance       | 3.1%          | 16.2%           | 16.1%           | 4.3%            | 39.6%           | 20.7%          |
| Sales and service                         | 0.0%          | 0.3%            | 2.3%            | 3.5%            | 14.5%           | 79.5%          |
| Office and administrative support         | 0.0%          | 0.5%            | 2.5%            | 4.8%            | 52.6%           | 39.7%          |
| Construction and extraction               | 0.0%          | 2.2%            | 22.6%           | 2.2%            | 73.1%           | 0.0%           |
| Installation, maintenance, and repair     | 0.0%          | 1.9%            | 3.0%            | 5.9%            | 89.3%           | 0.0%           |
| Production and non-construction trades    | 0.0%          | 3.7%            | 18.3%           | 6.7%            | 68.2%           | 3.0%           |
| Transportation and material moving        | 0.0%          | 1.9%            | 3.9%            | 5.5%            | 71.1%           | 17.6%          |
| Other                                     | 0.0%          | 0.0%            | 0.1%            | 0.3%            | 32.3%           | 67.3%          |
| <b>Total</b>                              | <b>0.1%</b>   | <b>2.0%</b>     | <b>7.9%</b>     | <b>3.8%</b>     | <b>47.4%</b>    | <b>38.8%</b>   |

## Aerospace product development reduced B&O tax rate

Businesses developing aerospace products for others pay a preferential B&O tax rate of 0.9%, rather than the general services rate of 1.5%. The preferential rate expires on July 1, 2040 (RCW 82.04.290).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| Less than 50    | 104          | \$660,757          |
| 50 or more      | 12           | 1,086,934          |
| <b>Total</b>    | <b>116</b>   | <b>\$1,747,690</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 50    | 735          | 55.6%                                  | 44.4%  |
| 50 or more      | 3,147        | 63.9%                                  | 36.1%  |
| <b>Total</b>    | <b>3,882</b> | <b>62.3%</b>                           | <b>37.7%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarter | Employees who worked less than four quarters |
|-----------------|----------------------|---------------------------------------|--|
| Less than 50    | \$51,798,389         | 72.6%                                 | 27.4%  |
| 50 or more      | 249,863,534          | 82.2%                                 | 17.8%  |
| <b>Total</b>    | <b>\$301,661,923</b> | <b>80.5%</b>                          | <b>19.5%</b>                                 |

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary    |
|-----------------|--------------|--------------|-------------|--------------|
| Less than 50    | 554          | 87.0%        | 11.6%       | 1.4%         |
| 50 or more      | 2,595        | 83.2%        | 1.5%        | 15.3%        |
| <b>Total</b>    | <b>3,149</b> | <b>83.9%</b> | <b>3.3%</b> | <b>12.9%</b> |

#### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 50    | \$42,516,377         | 92.2%        | 6.6%        | 1.2%        |
| 50 or more      | 218,897,660          | 94.6%        | 1.0%        | 4.4%        |
| <b>Total</b>    | <b>\$261,414,037</b> | <b>94.2%</b> | <b>1.9%</b> | <b>3.9%</b> |

## Aerospace product development reduced B&O tax rate

### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 266                 | 8.4%                    |
| Business, financial, and legal operations | 125                 | 4.0%                    |
| Computer, math, architect, and engineer   | 1,179               | 37.4%                   |
| Life, physical, and social science        | 0                   | 0.0%                    |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 0                   | 0.0%                    |
| Healthcare practitioners and support      | 6                   | 0.2%                    |
| Protective services and maintenance       | 17                  | 0.5%                    |
| Sales and service                         | 449                 | 14.3%                   |
| Office and administrative support         | 180                 | 5.7%                    |
| Construction and extraction               | 0                   | 0.0%                    |
| Installation, maintenance, and repair     | 48                  | 1.5%                    |
| Production and non-construction trades    | 867                 | 27.5%                   |
| Transportation and material moving        | 12                  | 0.4%                    |
| Other                                     | 0                   | 0.0%                    |
| <b>Total</b>                              | <b>3,149</b>        | <b>100.0%</b>           |

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 99.6%        | 0.4%        | 0.0%        |
| Business, financial, and legal operations | 91.2%        | 8.8%        | 0.0%        |
| Computer, math, architect, and engineer   | 94.7%        | 5.3%        | 0.1%        |
| Life, physical, and social science        | 0.0%         | 0.0%        | 0.0%        |
| Community and social services             | 0.0%         | 0.0%        | 0.0%        |
| Education, training, and library          | 0.0%         | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 16.7%        | 83.3%       | 0.0%        |
| Protective services and maintenance       | 100.0%       | 0.0%        | 0.0%        |
| Sales and service                         | 99.8%        | 0.2%        | 0.0%        |
| Office and administrative support         | 92.2%        | 7.8%        | 0.0%        |
| Construction and extraction               | 0.0%         | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 97.9%        | 2.1%        | 0.0%        |
| Production and non-construction trades    | 95.2%        | 4.8%        | 0.0%        |
| Transportation and material moving        | 100.0%       | 0.0%        | 0.0%        |
| Other                                     | 0.0%         | 0.0%        | 0.0%        |
| <b>Total</b>                              | <b>95.6%</b> | <b>4.4%</b> | <b>0.0%</b> |

## Aerospace product development reduced B&O tax rate

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& over |
|---|------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Management                                | 0.0%             | 0.0%                | 0.4%                | 0.0%                | 24.8%               | 74.8%             |
| Business, financial, and legal operations | 0.0%             | 4.0%                | 3.2%                | 7.2%                | 37.6%               | 48.0%             |
| Computer, math, architect, and engineer   | 0.0%             | 0.4%                | 1.3%                | 2.5%                | 35.9%               | 59.9%             |
| Life, physical, and social science        | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Community and social services             | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Education, training, and library          | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Healthcare practitioners and support      | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 100.0%            |
| Protective services and maintenance       | 0.0%             | 5.9%                | 5.9%                | 17.6%               | 52.9%               | 17.6%             |
| Sales and service                         | 0.7%             | 17.1%               | 21.8%               | 9.1%                | 26.9%               | 24.3%             |
| Office and administrative support         | 0.6%             | 15.6%               | 9.4%                | 22.2%               | 43.3%               | 8.9%              |
| Construction and extraction               | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Installation, maintenance, and repair     | 0.0%             | 25.0%               | 2.1%                | 20.8%               | 39.6%               | 12.5%             |
| Production and non-construction trades    | 0.3%             | 17.9%               | 24.8%               | 31.9%               | 23.4%               | 1.6%              |
| Transportation and material moving        | 8.3%             | 33.3%               | 50.0%               | 8.3%                | 0.0%                | 0.0%              |
| Other                                     | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| <b>Total</b>                              | <b>0.3%</b>      | <b>9.1%</b>         | <b>11.4%</b>        | <b>13.1%</b>        | <b>30.7%</b>        | <b>35.5%</b>      |

## Aerospace property and leasehold excise taxes B&O tax credit

Manufacturers of commercial airplanes or commercial airplane components qualify for a B&O tax credit for state and local property taxes paid on land and buildings used exclusively to manufacture commercial airplanes or components and constructed after December 1, 2003. The credit is also available for leasehold excise taxes paid on land and buildings used exclusively for the same purposes and constructed after January 1, 2006.

Manufacturers of tooling specifically designed for use in manufacturing commercial airplanes, persons providing aerospace product development, and persons providing aerospace services qualify for a B&O tax credit for state and local property or leasehold excise taxes paid on land and buildings constructed after June 30, 2008. These credits expire July 1, 2040 (RCW 82.04.4463).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed   |
|-----------------|--------------|---------------------|
| Less than 50    | 6            | \$135,216           |
| 50 to 250       | 9            | 516,305             |
| More than 250   | 9            | 56,453,011          |
| <b>Total</b>    | <b>24</b>    | <b>\$57,104,533</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees  | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------|--|--|
| Less than 50    | 274           | 60.6%                                  | 39.4%  |
| 50 to 250       | 1,269         | 69.7%                                  | 30.3%  |
| More than 250   | 60,044        | 98.0%                                  | 2.0%   |
| <b>Total</b>    | <b>61,587</b> | <b>97.2%</b>                           | <b>2.8%</b>                                  |

#### Percent of wages based on quarters worked

| Employment size | Total wages            | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|------------------------|--|--|
| Less than 50    | \$12,724,791           | 86.8%                                  | 13.2%  |
| 50 to 250       | 66,972,497             | 83.8%                                  | 16.2%  |
| More than 250   | 7,164,618,827          | 99.3%                                  | 0.7%   |
| <b>Total</b>    | <b>\$7,244,316,115</b> | <b>99.1%</b>                           | <b>0.9%</b>                                  |

## Aerospace property and leasehold excise taxes B&O tax credit

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees  | Full-time    | Part-time   | Temporary   |
|-----------------|---------------|--------------|-------------|-------------|
| Less than 50    | 202           | 97.5%        | 2.5%        | 0.0%        |
| 50 to 250       | 960           | 98.1%        | 1.9%        | 0.0%        |
| More than 250   | 59,427        | 99.8%        | 0.2%        | 0.0%        |
| <b>Total</b>    | <b>60,589</b> | <b>99.8%</b> | <b>0.2%</b> | <b>0.0%</b> |

#### Percent of wages by employment status

| Employment size | Total wages            | Full-time    | Part-time   | Temporary   |
|-----------------|------------------------|--------------|-------------|-------------|
| Less than 50    | \$11,674,358           | 99.0%        | 1.0%        | 0.0%        |
| 50 to 250       | 57,214,381             | 98.9%        | 1.1%        | 0.0%        |
| More than 250   | 7,136,290,580          | 99.9%        | 0.1%        | 0.0%        |
| <b>Total</b>    | <b>\$7,205,179,319</b> | <b>99.9%</b> | <b>0.1%</b> | <b>0.0%</b> |

#### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 5,364               | 8.9%                    |
| Business, financial, and legal operations | 4,734               | 7.8%                    |
| Computer, math, architect, and engineer   | 16,308              | 26.9%                   |
| Life, physical, and social science        | 181                 | 0.3%                    |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 107                 | 0.2%                    |
| Healthcare practitioners and support      | 45                  | 0.1%                    |
| Protective services and maintenance       | 1,029               | 1.7%                    |
| Sales and service                         | 323                 | 0.5%                    |
| Office and administrative support         | 1,581               | 2.6%                    |
| Construction and extraction               | 91                  | 0.2%                    |
| Installation, maintenance, and repair     | 3,888               | 6.4%                    |
| Production and non-construction trades    | 24,463              | 40.4%                   |
| Transportation and material moving        | 1,113               | 1.8%                    |
| Other                                     | 1,362               | 2.2%                    |
| <b>Total</b>                              | <b>60,589</b>       | <b>100.0%</b>           |



## Aerospace property and leasehold excise taxes B&O tax credit

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 100.0%       | 0.0%        | 0.0%        |
| Business, financial, and legal operations | 99.6%        | 0.4%        | 0.0%        |
| Computer, math, architect, and engineer   | 99.5%        | 0.5%        | 0.0%        |
| Life, physical, and social science        | 100.0%       | 0.0%        | 0.0%        |
| Community and social services             | 0.0%         | 0.0%        | 0.0%        |
| Education, training, and library          | 100.0%       | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 100.0%       | 0.0%        | 0.0%        |
| Protective services and maintenance       | 100.0%       | 0.0%        | 0.0%        |
| Sales and service                         | 99.7%        | 0.3%        | 0.0%        |
| Office and administrative support         | 99.3%        | 0.7%        | 0.0%        |
| Construction and extraction               | 100.0%       | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 100.0%       | 0.0%        | 0.0%        |
| Production and non-construction trades    | 99.9%        | 0.1%        | 0.0%        |
| Transportation and material moving        | 100.0%       | 0.0%        | 0.0%        |
| Other                                     | 99.9%        | 0.1%        | 0.0%        |
| <b>Total</b>                              | <b>99.8%</b> | <b>0.2%</b> | <b>0.0%</b> |

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to \$15.00 | \$15.01-\$20.00 | \$20.01-\$25.00 | \$25.01-\$30.00 | \$30.01-\$50.00 | \$50.01 & over |
|---|---------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Management                                | 0.0%          | 0.0%            | 0.0%            | 0.1%            | 3.9%            | 96.0%          |
| Business, financial, and legal operations | 0.0%          | 0.3%            | 0.5%            | 1.9%            | 40.6%           | 56.8%          |
| Computer, math, architect, and engineer   | 0.0%          | 0.0%            | 0.2%            | 1.2%            | 25.0%           | 73.6%          |
| Life, physical, and social science        | 0.0%          | 0.0%            | 6.6%            | 9.9%            | 40.3%           | 43.1%          |
| Community and social services             | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 0.0%            | 0.0%           |
| Education, training, and library          | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 37.4%           | 62.6%          |
| Healthcare practitioners and support      | 0.0%          | 0.0%            | 0.0%            | 17.8%           | 53.3%           | 28.9%          |
| Protective services and maintenance       | 3.1%          | 16.8%           | 15.9%           | 4.1%            | 39.3%           | 20.8%          |
| Sales and service                         | 0.0%          | 0.6%            | 3.1%            | 4.0%            | 13.9%           | 78.3%          |
| Office and administrative support         | 0.0%          | 0.8%            | 2.2%            | 7.5%            | 51.5%           | 38.1%          |
| Construction and extraction               | 0.0%          | 2.2%            | 23.1%           | 2.2%            | 72.5%           | 0.0%           |
| Installation, maintenance, and repair     | 0.1%          | 0.5%            | 2.4%            | 4.6%            | 92.3%           | 0.1%           |
| Production and non-construction trades    | 0.1%          | 3.9%            | 18.7%           | 8.6%            | 66.0%           | 2.8%           |
| Transportation and material moving        | 0.0%          | 0.4%            | 2.2%            | 5.4%            | 73.7%           | 18.3%          |
| Other                                     | 0.0%          | 0.0%            | 0.1%            | 0.3%            | 32.3%           | 67.3%          |
| <b>Total</b>                              | <b>0.1%</b>   | <b>2.0%</b>     | <b>8.2%</b>     | <b>4.7%</b>     | <b>47.3%</b>    | <b>37.8%</b>   |

## Chapter 2 - Agriculture industry

Five agriculture industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

### Agricultural sales and use tax deferrals

Participants who process fresh fruit and vegetables, operate cold storage warehouses for storing such products, engage in research and development (R&D) activities related to processing of such products, or manufacture dairy products are eligible for a deferral and waiver of sales and use taxes on investment projects. The deferral applies to construction or expansion of eligible facilities or acquisition of new equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for these deferrals prior to July 1, 2012 (RCW 82.74).

#### Incentive amount by participant size

| Employment size | Participants | Incentive claimed   |
|-----------------|--------------|---------------------|
| Less than 5,000 | 5            | \$14,543,334        |
| <b>Total</b>    | <b>5</b>     | <b>\$14,543,334</b> |

#### Annual employment data for Calendar Year 2021

##### Percent of employees based on quarters worked

| Employment size | WA employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 5,000 | 6,207        | 66.2%                                  | 33.8%  |
| <b>Total</b>    | <b>6,207</b> | <b>66.2%</b>                           | <b>33.8%</b>                                 |

##### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 5,000 | \$317,037,964        | 88.2%                                  | 11.8%  |
| <b>Total</b>    | <b>\$317,037,964</b> | <b>88.2%</b>                           | <b>11.8%</b>                                 |

#### Annual employment data for employees employed on December 31, 2021

##### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary   |
|-----------------|--------------|--------------|-------------|-------------|
| Less than 5,000 | 5,877        | 93.8%        | 6.1%        | 0.2%        |
| <b>Total</b>    | <b>5,877</b> | <b>93.8%</b> | <b>6.1%</b> | <b>0.2%</b> |

##### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 5,000 | \$313,760,210        | 97.4%        | 2.6%        | 0.0%        |
| <b>Total</b>    | <b>\$313,760,210</b> | <b>97.4%</b> | <b>2.6%</b> | <b>0.0%</b> |

## Dairy product manufacturers B&O tax deduction

Manufacturers and wholesalers of dairy products and by-products are exempt from the manufacturing and wholesaling B&O tax rate of 0.484%. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items becomes taxable under the preferential B&O tax rate of 0.138% (RCW 82.04.4268).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| Less than 50    | 13           | \$129,308          |
| 50 or more      | 11           | 5,472,500          |
| <b>Total</b>    | <b>24</b>    | <b>\$5,601,808</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 50    | 183          | 41.0%                                  | 59.0%  |
| 50 or more      | 2,805        | 65.3%                                  | 34.7%  |
| <b>Total</b>    | <b>2,988</b> | <b>63.9%</b>                           | <b>36.1%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 50    | \$4,852,216          | 73.3%                                  | 26.7%  |
| 50 or more      | 155,316,173          | 85.6%                                  | 14.4%  |
| <b>Total</b>    | <b>\$160,168,389</b> | <b>85.3%</b>                           | <b>14.7%</b>                                 |

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary   |
|-----------------|--------------|--------------|-------------|-------------|
| Less than 50    | 140          | 70.7%        | 22.9%       | 6.4%        |
| 50 or more      | 2,592        | 91.8%        | 6.8%        | 1.4%        |
| <b>Total</b>    | <b>2,732</b> | <b>90.7%</b> | <b>7.6%</b> | <b>1.7%</b> |

#### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 50    | \$4,359,381          | 89.1%        | 8.5%        | 2.4%        |
| 50 or more      | 154,118,681          | 97.4%        | 2.4%        | 0.2%        |
| <b>Total</b>    | <b>\$158,478,062</b> | <b>97.2%</b> | <b>2.6%</b> | <b>0.2%</b> |

## Fruit and vegetable processors B&O tax exemption

Manufacturers and wholesalers (selling for interstate transport) of canned, preserved, dehydrated, or frozen fruit or vegetable products are exempt from the manufacturing and wholesaling B&O tax rate of 0.484%. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items becomes taxable under the preferential B&O tax rate classification of 0.138% (RCW 82.04.4266).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed   |
|-----------------|--------------|---------------------|
| Less than 50    | 188          | \$1,566,050         |
| 50 to 250       | 40           | 2,943,213           |
| More than 250   | 18           | 15,016,379          |
| <b>Total</b>    | <b>246</b>   | <b>\$19,525,643</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees  | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------|--|--|
| Less than 50    | 3,653         | 32.9%                                  | 67.1%  |
| 50 to 250       | 5,568         | 34.2%                                  | 65.8%  |
| More than 250   | 20,836        | 44.5%                                  | 55.5%  |
| <b>Total</b>    | <b>30,057</b> | <b>41.2%</b>                           | <b>58.8%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 50    | \$71,289,033         | 73.0%                                  | 27.0%  |
| 50 to 250       | 139,958,016          | 71.2%                                  | 28.8%  |
| More than 250   | 697,784,637          | 80.0%                                  | 20.0%  |
| <b>Total</b>    | <b>\$909,031,686</b> | <b>78.1%</b>                           | <b>21.9%</b>                                 |

## Fruit and vegetable processors B&O tax exemption

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees  | Full-time    | Part-time    | Temporary    |
|-----------------|---------------|--------------|--------------|--------------|
| Less than 50    | 2,014         | 37.0%        | 55.2%        | 7.8%         |
| 50 to 250       | 4,292         | 59.7%        | 24.2%        | 16.1%        |
| More than 250   | 14,243        | 77.9%        | 4.5%         | 17.6%        |
| <b>Total</b>    | <b>20,549</b> | <b>70.1%</b> | <b>13.6%</b> | <b>16.3%</b> |

#### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 50    | \$55,061,997         | 78.2%        | 19.8%       | 2.1%        |
| 50 to 250       | 131,092,389          | 90.2%        | 7.4%        | 2.4%        |
| More than 250   | 582,853,085          | 94.3%        | 2.5%        | 3.2%        |
| <b>Total</b>    | <b>\$769,007,471</b> | <b>92.5%</b> | <b>4.5%</b> | <b>3.0%</b> |

## Seafood processors B&O tax exemption

Manufacturers and wholesalers of seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing process are exempt from the manufacturing and wholesaling B&O tax of 0.484%. This exemption expires July 1, 2025. At that time, income from the manufacturing and wholesaling of these items becomes taxable under the preferential B&O tax rate of 0.138% (RCW 82.04.4269).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| Less than 50    | 17           | \$594,570          |
| 50 or more      | 9            | 1,597,947          |
| <b>Total</b>    | <b>26</b>    | <b>\$2,192,517</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 50    | 184          | 46.7%                                  | 53.3%  |
| 50 or more      | 3,989        | 68.6%                                  | 31.4%  |
| <b>Total</b>    | <b>4,173</b> | <b>67.6%</b>                           | <b>32.4%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 50    | \$5,792,318          | 87.2%                                  | 12.8%  |
| 50 or more      | 179,582,291          | 92.5%                                  | 7.5%   |
| <b>Total</b>    | <b>\$185,374,609</b> | <b>92.3%</b>                           | <b>7.7%</b>                                  |

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary    |
|-----------------|--------------|--------------|-------------|--------------|
| Less than 50    | 110          | 82.7%        | 15.5%       | 1.8%         |
| 50 or more      | 3,164        | 84.6%        | 4.6%        | 10.7%        |
| <b>Total</b>    | <b>3,274</b> | <b>84.6%</b> | <b>5.0%</b> | <b>10.4%</b> |

#### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 50    | \$5,038,432          | 93.8%        | 5.6%        | 0.6%        |
| 50 or more      | 169,300,548          | 96.7%        | 0.8%        | 2.5%        |
| <b>Total</b>    | <b>\$174,338,980</b> | <b>96.6%</b> | <b>1.0%</b> | <b>2.4%</b> |

## Chapter 3 – Employer credit programs

There are three employer credit programs requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

### Customized employment training B&O tax credit

Businesses may use a B&O credit for half the costs of the customized workforce training paid to the State Board for Community Colleges. The credit must be used by June 30, 2026 (RCW 82.04.449.)

#### Incentive amount by participant size

| Employment size | Participants | Incentive claimed |
|-----------------|--------------|-------------------|
| Less than 250   | 4            | \$6,881           |
| <b>Total</b>    | <b>4</b>     | <b>\$6,881</b>    |

#### Annual employment data for Calendar Year 2021

##### Percent of employees based on quarters worked

| Employment size | WA Employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 250   | 309          | 52.1%                                  | 47.9%  |
| <b>Total</b>    | <b>309</b>   | <b>52.1%</b>                           | <b>47.9%</b>                                 |

##### Percent of wages based on quarters worked

| Employment size | Total wages         | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------------|--|--|
| Less than 250   | \$11,711,783        | 69.5%                                  | 30.5%  |
| <b>Total</b>    | <b>\$11,711,783</b> | <b>69.5%</b>                           | <b>30.5%</b>                                 |

#### Annual employment data for employees employed on December 31, 2021

##### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary   |
|-----------------|--------------|--------------|-------------|-------------|
| Less than 250   | 255          | 99.2%        | 0.8%        | 0.0%        |
| <b>Total</b>    | <b>255</b>   | <b>99.2%</b> | <b>0.8%</b> | <b>0.0%</b> |

##### Percent of wages by employment status

| Employment size | Total wages         | Full-time    | Part-time   | Temporary   |
|-----------------|---------------------|--------------|-------------|-------------|
| Less than 250   | \$10,263,030        | 99.7%        | 0.3%        | 0.0%        |
| <b>Total</b>    | <b>\$10,263,030</b> | <b>99.7%</b> | <b>0.3%</b> | <b>0.0%</b> |

## Customized employment training B&O tax credit

### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 18                  | 7.1%                    |
| Business, financial, and legal operations | 7                   | 2.7%                    |
| Computer, math, architect, and engineer   | 15                  | 5.9%                    |
| Life, physical, and social science        | 0                   | 0.0%                    |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 0                   | 0.0%                    |
| Healthcare practitioners and support      | 0                   | 0.0%                    |
| Protective services and maintenance       | 0                   | 0.0%                    |
| Sales and service                         | 47                  | 18.4%                   |
| Office and administrative support         | 10                  | 3.9%                    |
| Construction and extraction               | 0                   | 0.0%                    |
| Installation, maintenance, and repair     | 6                   | 2.4%                    |
| Production and non-construction trades    | 140                 | 54.9%                   |
| Transportation and material moving        | 11                  | 4.3%                    |
| Other                                     | 1                   | 0.4%                    |
| <b>Total</b>                              | <b>255</b>          | <b>100.0%</b>           |

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 100.0%       | 0.0%        | 0.0%        |
| Business, financial, and legal operations | 100.0%       | 0.0%        | 0.0%        |
| Computer, math, architect, and engineer   | 100.0%       | 0.0%        | 0.0%        |
| Life, physical, and social science        | 0.0%         | 0.0%        | 0.0%        |
| Community and social services             | 0.0%         | 0.0%        | 0.0%        |
| Education, training, and library          | 0.0%         | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 0.0%         | 0.0%        | 0.0%        |
| Protective services and maintenance       | 0.0%         | 0.0%        | 0.0%        |
| Sales and service                         | 97.9%        | 2.1%        | 0.0%        |
| Office and administrative support         | 100.0%       | 0.0%        | 0.0%        |
| Construction and extraction               | 0.0%         | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 100.0%       | 0.0%        | 0.0%        |
| Production and non-construction trades    | 99.3%        | 0.7%        | 0.0%        |
| Transportation and material moving        | 100.0%       | 0.0%        | 0.0%        |
| Other                                     | 100.0%       | 0.0%        | 0.0%        |
| <b>Total</b>                              | <b>99.2%</b> | <b>0.8%</b> | <b>0.0%</b> |



## Customized employment training B&O tax credit

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& over |
|---|------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Management                                | 0.0%             | 11.1%               | 0.0%                | 0.0%                | 44.4%               | 44.4%             |
| Business, financial, and legal operations | 0.0%             | 0.0%                | 0.0%                | 14.3%               | 28.6%               | 57.1%             |
| Computer, math, architect, and engineer   | 0.0%             | 20.0%               | 0.0%                | 26.7%               | 33.3%               | 20.0%             |
| Life, physical, and social science        | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Community and social services             | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Education, training, and library          | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Healthcare practitioners and support      | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Protective services and maintenance       | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Sales and service                         | 0.0%             | 2.1%                | 17.0%               | 17.0%               | 51.1%               | 12.8%             |
| Office and administrative support         | 0.0%             | 20.0%               | 0.0%                | 20.0%               | 40.0%               | 20.0%             |
| Construction and extraction               | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Installation, maintenance, and repair     | 0.0%             | 16.7%               | 33.3%               | 33.3%               | 16.7%               | 0.0%              |
| Production and non-construction trades    | 39.3%            | 9.3%                | 16.4%               | 21.4%               | 12.1%               | 1.4%              |
| Transportation and material moving        | 0.0%             | 9.1%                | 18.2%               | 36.4%               | 36.4%               | 0.0%              |
| Other                                     | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 100.0%              | 0.0%              |
| <b>Total</b>                              | <b>21.6%</b>     | <b>9.0%</b>         | <b>13.7%</b>        | <b>20.0%</b>        | <b>25.9%</b>        | <b>9.8%</b>       |

## Veteran employer B&O tax credit

Businesses that employ a previously unemployed veteran in a permanent full-time position in Washington for at least two consecutive calendar quarters on or after October 1, 2016, and before June 30, 2022, receive a B&O tax credit. The credit equals 20% of the wages and benefits the business paid to the qualified employee. The credit cannot exceed \$1,500 per qualified employee. Businesses may use the credit against B&O or public utility taxes, but not both. Statewide, the total credit may not exceed \$500,000 per fiscal year. Businesses receive credits on a first-in-time basis and can earn credits through June 30, 2022. Businesses must use the credit by June 30, 2023 (RCW 82.04.4498).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed |
|-----------------|--------------|-------------------|
| Less than 10    | 9            | \$9,639           |
| 10 or more      | 4            | \$8,290           |
| <b>Total</b>    | <b>13</b>    | <b>\$17,929</b>   |

## Annual employment data for Calendar Year 2021

### Percent of employees based on quarters worked

| Employment size | WA Employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 10    | 52           | 48.1%                                  | 51.9%  |
| 10 or more      | 1,213        | 47.7%                                  | 52.3%  |
| <b>Total</b>    | <b>1,265</b> | <b>47.7%</b>                           | <b>52.3%</b>                                 |

### Percent of wages based on quarters worked

| Employment size | Total wages         | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------------|--|--|
| Less than 10    | \$2,263,375         | 75.6%                                  | 24.4%  |
| 10 or more      | 43,894,544          | 77.7%                                  | 22.3%  |
| <b>Total</b>    | <b>\$46,157,919</b> | <b>77.6%</b>                           | <b>22.4%</b>                                 |

## Veteran employer B&O tax credit

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary    |
|-----------------|--------------|--------------|-------------|--------------|
| Less than 10    | 48           | 91.7%        | 6.3%        | 2.1%         |
| 10 or more      | 1,028        | 74.6%        | 0.7%        | 24.7%        |
| <b>Total</b>    | <b>1,076</b> | <b>75.4%</b> | <b>0.9%</b> | <b>23.7%</b> |

#### Percent of wages by employment status

| Employment size | Total wages         | Full-time    | Part-time   | Temporary   |
|-----------------|---------------------|--------------|-------------|-------------|
| Less than 10    | \$2,136,821         | 98.7%        | 1.1%        | 0.2%        |
| 10 or more      | 19,817,714          | 94.5%        | 0.2%        | 5.2%        |
| <b>Total</b>    | <b>\$21,954,535</b> | <b>94.9%</b> | <b>0.3%</b> | <b>4.7%</b> |

#### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 23                  | 2.1%                    |
| Business, financial, and legal operations | 4                   | 0.4%                    |
| Computer, math, architect, and engineer   | 6                   | 0.6%                    |
| Life, physical, and social science        | 0                   | 0.0%                    |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 0                   | 0.0%                    |
| Healthcare practitioners and support      | 0                   | 0.0%                    |
| Protective services and maintenance       | 12                  | 1.1%                    |
| Sales and service                         | 11                  | 1.0%                    |
| Office and administrative support         | 76                  | 7.1%                    |
| Construction and extraction               | 177                 | 16.4%                   |
| Installation, maintenance, and repair     | 0                   | 0.0%                    |
| Production and non-construction trades    | 762                 | 70.8%                   |
| Transportation and material moving        | 4                   | 0.4%                    |
| Other                                     | 1                   | 0.1%                    |
| <b>Total</b>                              | <b>1,076</b>        | <b>100.0%</b>           |

## Veteran employer B&O tax credit

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time    | Temporary   |
|---|--------------|--------------|-------------|
| Management                                | 100.0%       | 0.0%         | 0.0%        |
| Business, financial, and legal operations | 100.0%       | 0.0%         | 0.0%        |
| Computer, math, architect, and engineer   | 100.0%       | 0.0%         | 0.0%        |
| Life, physical, and social science        | 0.0%         | 0.0%         | 0.0%        |
| Community and social services             | 0.0%         | 0.0%         | 0.0%        |
| Education, training, and library          | 0.0%         | 0.0%         | 0.0%        |
| Healthcare practitioners and support      | 0.0%         | 0.0%         | 0.0%        |
| Protective services and maintenance       | 100.0%       | 0.0%         | 0.0%        |
| Sales and service                         | 54.5%        | 45.5%        | 0.0%        |
| Office and administrative support         | 86.8%        | 13.2%        | 0.0%        |
| Construction and extraction               | 97.7%        | 2.3%         | 0.0%        |
| Installation, maintenance, and repair     | 0.0%         | 0.0%         | 0.0%        |
| Production and non-construction trades    | 67.7%        | 32.3%        | 0.0%        |
| Transportation and material moving        | 100.0%       | 0.0%         | 0.0%        |
| Other                                     | 100.0%       | 0.0%         | 0.0%        |
| <b>Total</b>                              | <b>75.4%</b> | <b>24.6%</b> | <b>0.0%</b> |

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to \$15.00 | \$15.01-\$20.00 | \$20.01-\$25.00 | \$25.01-\$30.00 | \$30.01-\$50.00 | \$50.01 & over |
|---|---------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Management                                | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 21.7%           | 78.3%          |
| Business, financial, and legal operations | 0.0%          | 75.0%           | 0.0%            | 0.0%            | 0.0%            | 25.0%          |
| Computer, math, architect, and engineer   | 0.0%          | 0.0%            | 0.0%            | 50.0%           | 50.0%           | 0.0%           |
| Life, physical, and social science        | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 0.0%            | 0.0%           |
| Community and social services             | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 0.0%            | 0.0%           |
| Education, training, and library          | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 0.0%            | 0.0%           |
| Healthcare practitioners and support      | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 0.0%            | 0.0%           |
| Protective services and maintenance       | 0.0%          | 0.0%            | 100.0%          | 0.0%            | 0.0%            | 0.0%           |
| Sales and service                         | 27.3%         | 18.2%           | 0.0%            | 0.0%            | 45.5%           | 9.1%           |
| Office and administrative support         | 6.6%          | 13.2%           | 18.4%           | 13.2%           | 30.3%           | 18.4%          |
| Construction and extraction               | 2.3%          | 19.2%           | 33.9%           | 15.8%           | 18.6%           | 10.2%          |
| Installation, maintenance, and repair     | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 0.0%            | 0.0%           |
| Production and non-construction trades    | 37.1%         | 44.8%           | 11.3%           | 2.4%            | 3.9%            | 0.5%           |
| Transportation and material moving        | 0.0%          | 0.0%            | 75.0%           | 25.0%           | 0.0%            | 0.0%           |
| Other                                     | 0.0%          | 0.0%            | 100.0%          | 0.0%            | 0.0%            | 0.0%           |
| <b>Total</b>                              | <b>27.4%</b>  | <b>36.2%</b>    | <b>16.4%</b>    | <b>5.6%</b>     | <b>9.2%</b>     | <b>5.2%</b>    |

## Chapter 4 – General manufacturing industry

There are three general manufacturing industry incentives requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

### High unemployment county sales and use tax deferral

Manufacturers investing in qualifying counties are eligible for a deferral of retail sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment for projects located in a county with high unemployment or in a Community Empowerment Zone (CEZ). The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2020 (RCW 82.60).

#### Incentive amount by participant size

| Employment size | Participants | Incentive claimed   |
|-----------------|--------------|---------------------|
| Less than 50    | 32           | \$12,339,630        |
| 50 to 250       | 24           | 13,787,401          |
| More than 250   | 11           | 9,502,141           |
| <b>Total</b>    | <b>67</b>    | <b>\$35,629,173</b> |

#### Annual employment data for Calendar Year 2021

##### Percent of employees based on quarters worked

| Employment size | WA Employees  | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------|--|--|
| Less than 50    | 1,983         | 52.5%                                  | 47.5%  |
| 50 to 250       | 3,836         | 63.9%                                  | 36.1%  |
| More than 250   | 9,568         | 68.8%                                  | 31.2%  |
| <b>Total</b>    | <b>15,387</b> | <b>65.5%</b>                           | <b>34.5%</b>                                 |

##### Percent of wages based on quarters worked%

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 50    | \$98,162,500         | 83.5%                                  | 16.5%  |
| 50 to 250       | 186,548,130          | 85.9%                                  | 14.1%  |
| More than 250   | 502,866,952          | 82.9%                                  | 17.1%  |
| <b>Total</b>    | <b>\$787,577,582</b> | <b>83.7%</b>                           | <b>16.3%</b>                                 |

## High unemployment county sales and use tax deferral

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees  | Full-time    | Part-time   | Temporary   |
|-----------------|---------------|--------------|-------------|-------------|
| Less than 50    | 825           | 86.9%        | 12.7%       | 0.4%        |
| 50 to 250       | 3,110         | 95.1%        | 4.4%        | 0.5%        |
| More than 250   | 8,718         | 94.7%        | 4.9%        | 0.4%        |
| <b>Total</b>    | <b>12,653</b> | <b>94.3%</b> | <b>5.3%</b> | <b>0.4%</b> |

#### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 50    | \$44,191,800         | 97.5%        | 2.5%        | 0.0%        |
| 50 to 250       | 172,443,722          | 98.9%        | 1.0%        | 0.1%        |
| More than 250   | 487,249,449          | 97.9%        | 2.0%        | 0.1%        |
| <b>Total</b>    | <b>\$703,884,971</b> | <b>98.1%</b> | <b>1.8%</b> | <b>0.1%</b> |

#### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 1,053               | 8.3%                    |
| Business, financial, and legal operations | 406                 | 3.2%                    |
| Computer, math, architect, and engineer   | 729                 | 5.8%                    |
| Life, physical, and social science        | 135                 | 1.1%                    |
| Community and social services             | 23                  | 0.2%                    |
| Education, training, and library          | 12                  | 0.1%                    |
| Healthcare practitioners and support      | 1                   | 0.0%                    |
| Protective services and maintenance       | 89                  | 0.7%                    |
| Sales and service                         | 548                 | 4.3%                    |
| Office and administrative support         | 761                 | 6.0%                    |
| Construction and extraction               | 218                 | 1.7%                    |
| Installation, maintenance, and repair     | 636                 | 5.0%                    |
| Production and non-construction trades    | 7,339               | 58.0%                   |
| Transportation and material moving        | 573                 | 4.5%                    |
| Other                                     | 130                 | 1.0%                    |
| <b>Total</b>                              | <b>12,653</b>       | <b>100.0%</b>           |

## High unemployment county sales and use tax deferral

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 99.1%        | 0.9%        | 0.0%        |
| Business, financial, and legal operations | 98.8%        | 1.2%        | 0.0%        |
| Computer, math, architect, and engineer   | 98.8%        | 1.2%        | 0.0%        |
| Life, physical, and social science        | 98.5%        | 1.5%        | 0.0%        |
| Community and social services             | 100.0%       | 0.0%        | 0.0%        |
| Education, training, and library          | 100.0%       | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 100.0%       | 0.0%        | 0.0%        |
| Protective services and maintenance       | 86.5%        | 13.5%       | 0.0%        |
| Sales and service                         | 70.4%        | 29.6%       | 0.0%        |
| Office and administrative support         | 96.7%        | 3.3%        | 0.0%        |
| Construction and extraction               | 92.7%        | 5.5%        | 1.8%        |
| Installation, maintenance, and repair     | 99.2%        | 0.8%        | 0.0%        |
| Production and non-construction trades    | 95.0%        | 5.0%        | 0.0%        |
| Transportation and material moving        | 87.3%        | 12.7%       | 0.0%        |
| Other                                     | 91.5%        | 8.5%        | 0.0%        |
| <b>Total</b>                              | <b>94.5%</b> | <b>5.5%</b> | <b>0.1%</b> |

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to \$15.00 | \$15.01-\$20.00 | \$20.01-\$25.00 | \$25.01-\$30.00 | \$30.01-\$50.00 | \$50.01 & over |
|---|---------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Management                                | 0.4%          | 1.5%            | 1.9%            | 5.3%            | 35.5%           | 55.4%          |
| Business, financial, and legal operations | 0.7%          | 5.2%            | 18.5%           | 23.2%           | 40.4%           | 12.1%          |
| Computer, math, architect, and engineer   | 0.1%          | 1.4%            | 6.9%            | 8.2%            | 57.2%           | 26.2%          |
| Life, physical, and social science        | 0.0%          | 7.4%            | 38.5%           | 17.0%           | 18.5%           | 18.5%          |
| Community and social services             | 0.0%          | 21.7%           | 0.0%            | 26.1%           | 43.5%           | 8.7%           |
| Education, training, and library          | 0.0%          | 8.3%            | 8.3%            | 41.7%           | 41.7%           | 0.0%           |
| Healthcare practitioners and support      | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 100.0%          | 0.0%           |
| Protective services and maintenance       | 4.5%          | 40.4%           | 20.2%           | 10.1%           | 22.5%           | 2.2%           |
| Sales and service                         | 21.5%         | 23.2%           | 8.6%            | 11.1%           | 27.4%           | 8.2%           |
| Office and administrative support         | 0.5%          | 20.4%           | 27.1%           | 19.6%           | 28.6%           | 3.8%           |
| Construction and extraction               | 0.0%          | 13.3%           | 50.9%           | 7.8%            | 12.4%           | 15.6%          |
| Installation, maintenance, and repair     | 0.3%          | 9.3%            | 20.9%           | 33.2%           | 34.9%           | 1.4%           |
| Production and non-construction trades    | 5.4%          | 39.8%           | 29.5%           | 12.5%           | 11.6%           | 1.2%           |
| Transportation and material moving        | 5.8%          | 34.0%           | 27.7%           | 15.0%           | 15.2%           | 2.3%           |
| Other                                     | 16.9%         | 30.8%           | 12.3%           | 13.8%           | 22.3%           | 3.8%           |
| <b>Total</b>                              | <b>4.6%</b>   | <b>28.6%</b>    | <b>24.2%</b>    | <b>13.5%</b>    | <b>20.5%</b>    | <b>8.5%</b>    |

## Manufacturers sales and use tax deferral

The “Invest in Washington” pilot program creates a sales and use tax deferral for two investment projects per calendar year. The deferral applies to sales and use taxes on up to \$10 million in charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. One project must be in eastern Washington and one project must be in western Washington. Projects approved for a high unemployment county sales and use tax deferral (RCW 82.60) cannot receive this deferral, and projects cannot receive multiple pilot program deferrals. This program expires January 1, 2026 (RCW 82.85).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| Less than 600   | 4            | \$1,648,834        |
| <b>Total</b>    | <b>4</b>     | <b>\$1,648,834</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA Employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 600   | 431          | 49.2%                                  | 50.8%  |
| <b>Total</b>    | <b>431</b>   | <b>49.2%</b>                           | <b>50.8%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages         | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------------|--|--|
| Less than 600   | \$19,834,116        | 70.8%                                  | 29.2%  |
| <b>Total</b>    | <b>\$19,834,116</b> | <b>70.8%</b>                           | <b>29.2%</b>                                 |

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary   |
|-----------------|--------------|--------------|-------------|-------------|
| Less than 600   | 265          | 95.1%        | 1.1%        | 3.8%        |
| <b>Total</b>    | <b>265</b>   | <b>95.1%</b> | <b>1.1%</b> | <b>3.8%</b> |

#### Percent of wages by employment status

| Employment size | Total wages         | Full-time    | Part-time   | Temporary   |
|-----------------|---------------------|--------------|-------------|-------------|
| Less than 600   | \$19,781,447        | 98.2%        | 0.8%        | 1.0%        |
| <b>Total</b>    | <b>\$19,781,447</b> | <b>98.2%</b> | <b>0.8%</b> | <b>1.0%</b> |



## Manufacturers sales and use tax deferral

### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 42                  | 15.8%                   |
| Business, financial, and legal operations | 14                  | 5.3%                    |
| Computer, math, architect, and engineer   | 1                   | 0.4%                    |
| Life, physical, and social science        | 0                   | 0.0%                    |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 0                   | 0.0%                    |
| Healthcare practitioners and support      | 0                   | 0.0%                    |
| Protective services and maintenance       | 0                   | 0.0%                    |
| Sales and service                         | 28                  | 10.6%                   |
| Office and administrative support         | 9                   | 3.4%                    |
| Construction and extraction               | 0                   | 0.0%                    |
| Installation, maintenance, and repair     | 33                  | 12.5%                   |
| Production and non-construction trades    | 124                 | 46.8%                   |
| Transportation and material moving        | 14                  | 5.3%                    |
| Other                                     | 0                   | 0.0%                    |
| <b>Total</b>                              | <b>265</b>          | <b>100.0%</b>           |

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 100.0%       | 0.0%        | 0.0%        |
| Business, financial, and legal operations | 92.9%        | 7.1%        | 0.0%        |
| Computer, math, architect, and engineer   | 100.0%       | 0.0%        | 0.0%        |
| Life, physical, and social science        | 0.0%         | 0.0%        | 0.0%        |
| Community and social services             | 0.0%         | 0.0%        | 0.0%        |
| Education, training, and library          | 0.0%         | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 0.0%         | 0.0%        | 0.0%        |
| Protective services and maintenance       | 0.0%         | 0.0%        | 0.0%        |
| Sales and service                         | 100.0%       | 0.0%        | 0.0%        |
| Office and administrative support         | 100.0%       | 0.0%        | 0.0%        |
| Construction and extraction               | 0.0%         | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 100.0%       | 0.0%        | 0.0%        |
| Production and non-construction trades    | 91.1%        | 8.9%        | 0.0%        |
| Transportation and material moving        | 100.0%       | 0.0%        | 0.0%        |
| Other                                     | 0.0%         | 0.0%        | 0.0%        |
| <b>Total</b>                              | <b>95.5%</b> | <b>4.5%</b> | <b>0.0%</b> |

## Manufacturers sales and use tax deferral

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& over |
|---|------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Management                                | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 52.4%               | 47.6%             |
| Business, financial, and legal operations | 0.0%             | 7.1%                | 28.6%               | 50.0%               | 14.3%               | 0.0%              |
| Computer, math, architect, and engineer   | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 100.0%              | 0.0%              |
| Life, physical, and social science        | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Community and social services             | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Education, training, and library          | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Healthcare practitioners and support      | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Protective services and maintenance       | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Sales and service                         | 0.0%             | 17.9%               | 7.1%                | 17.9%               | 50.0%               | 7.1%              |
| Office and administrative support         | 0.0%             | 11.1%               | 66.7%               | 0.0%                | 22.2%               | 0.0%              |
| Construction and extraction               | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Installation, maintenance, and repair     | 0.0%             | 18.2%               | 57.6%               | 12.1%               | 12.1%               | 0.0%              |
| Production and non-construction trades    | 0.0%             | 23.4%               | 43.5%               | 21.0%               | 12.1%               | 0.0%              |
| Transportation and material moving        | 0.0%             | 7.1%                | 14.3%               | 64.3%               | 14.3%               | 0.0%              |
| Other                                     | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| <b>Total</b>                              | <b>0.0%</b>      | <b>16.2%</b>        | <b>32.8%</b>        | <b>19.2%</b>        | <b>23.4%</b>        | <b>8.3%</b>       |

## Chapter 5 - High technology industry

Four high technology industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

### Biotechnology sales and use tax deferral

Biotechnology product and medical device manufacturers are eligible for a deferral of sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to January 1, 2017 (RCW 82.75).

#### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| Less than 2,000 | 6            | \$4,871,928        |
| <b>Total</b>    | <b>6</b>     | <b>\$4,871,928</b> |

#### Annual employment data for Calendar Year 2021

##### Percent of employees based on quarters worked

| Employment size | WA Employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 2,000 | 2,682        | 56.0%                                  | 44.0%  |
| <b>Total</b>    | <b>2,682</b> | <b>56.0%</b>                           | <b>44.0%</b>                                 |

##### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 2,000 | \$379,975,830        | 68.9%                                  | 31.1%  |
| <b>Total</b>    | <b>\$379,975,830</b> | <b>68.9%</b>                           | <b>31.1%</b>                                 |

#### Annual employment data for employees employed on December 31, 2021

##### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary   |
|-----------------|--------------|--------------|-------------|-------------|
| Less than 2,000 | 2,129        | 98.7%        | 0.4%        | 0.8%        |
| <b>Total</b>    | <b>2,129</b> | <b>98.7%</b> | <b>0.4%</b> | <b>0.8%</b> |

##### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 2,000 | \$370,024,288        | 99.7%        | 0.2%        | 0.1%        |
| <b>Total</b>    | <b>\$370,024,288</b> | <b>99.7%</b> | <b>0.2%</b> | <b>0.1%</b> |

## Data center sales and use tax exemption

A sales and use tax exemption on qualified purchases of eligible server equipment and eligible power infrastructure exists for data centers located in a rural county. The exemption includes charges for labor and services associated with installation of the equipment and power infrastructure. The law limits this exemption to eight data centers that began construction on or after July 1, 2015, but before July 1, 2019, and an additional four data centers that began construction on or after July 1, 2019, but before July 1, 2025. This exemption expires based on when the participant applied for the program (RCW 82.82.08.986, 82.12.986).

Note: The employee count represents the total employees in Washington for the participant and not the employees located at the data center.

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed   |
|-----------------|--------------|---------------------|
| Less than 50    | 16           | \$28,050,156        |
| 50 or more      | 6            | 66,873,668          |
| <b>Total</b>    | <b>22</b>    | <b>\$94,923,824</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees   | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------|--|--|
| Less than 50    | 228            | 72.4%                                  | 27.6%  |
| 50 or more      | 147,179        | 83.4%                                  | 16.6%  |
| <b>Total</b>    | <b>147,407</b> | <b>83.4%</b>                           | <b>16.6%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages             | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|-------------------------|--|--|
| Less than 50    | \$21,525,443            | 88.6%                                  | 11.4%  |
| 50 or more      | 18,109,994,961          | 92.0%                                  | 8.0%   |
| <b>Total</b>    | <b>\$18,131,520,404</b> | <b>92.0%</b>                           | <b>8.0%</b>                                  |

## Data center sales and use tax exemption

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees   | Full-time    | Part-time   | Temporary   |
|-----------------|----------------|--------------|-------------|-------------|
| Less than 50    | 220            | 98.6%        | 1.4%        | 0.0%        |
| 50 or more      | 147,126        | 93.1%        | 5.0%        | 1.8%        |
| <b>Total</b>    | <b>147,346</b> | <b>93.1%</b> | <b>5.0%</b> | <b>1.8%</b> |

#### Percent of wages by employment status

| Employment size | Total wages             | Full-time    | Part-time   | Temporary   |
|-----------------|-------------------------|--------------|-------------|-------------|
| Less than 50    | \$21,294,833            | 99.4%        | 0.6%        | 0.0%        |
| 50 or more      | 18,105,600,885          | 98.8%        | 1.0%        | 0.2%        |
| <b>Total</b>    | <b>\$18,126,895,718</b> | <b>98.8%</b> | <b>1.0%</b> | <b>0.2%</b> |

#### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 18,205              | 12.4%                   |
| Business, financial, and legal operations | 16,041              | 10.9%                   |
| Computer, math, architect, and engineer   | 58,288              | 39.6%                   |
| Life, physical, and social science        | 130                 | 0.1%                    |
| Community and social services             | 6                   | 0.0%                    |
| Education, training, and library          | 216                 | 0.1%                    |
| Healthcare practitioners and support      | 39                  | 0.0%                    |
| Protective services and maintenance       | 1,206               | 0.8%                    |
| Sales and service                         | 19,365              | 13.1%                   |
| Office and administrative support         | 4,320               | 2.9%                    |
| Construction and extraction               | 101                 | 0.1%                    |
| Installation, maintenance, and repair     | 4,254               | 2.9%                    |
| Production and non-construction trades    | 21,868              | 14.8%                   |
| Transportation and material moving        | 1,945               | 1.3%                    |
| Other                                     | 1,362               | 0.9%                    |
| <b>Total</b>                              | <b>147,346</b>      | <b>100.0%</b>           |

## Data center sales and use tax exemption

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time    | Part-time   | Temporary   |
|---|--------------|-------------|-------------|
| Management                                | 99.5%        | 0.2%        | 0.3%        |
| Business, financial, and legal operations | 98.4%        | 1.1%        | 0.5%        |
| Computer, math, architect, and engineer   | 99.2%        | 0.3%        | 0.5%        |
| Life, physical, and social science        | 100.0%       | 0.0%        | 0.0%        |
| Community and social services             | 100.0%       | 0.0%        | 0.0%        |
| Education, training, and library          | 99.5%        | 0.5%        | 0.0%        |
| Healthcare practitioners and support      | 100.0%       | 0.0%        | 0.0%        |
| Protective services and maintenance       | 99.9%        | 0.1%        | 0.0%        |
| Sales and service                         | 54.9%        | 33.7%       | 11.4%       |
| Office and administrative support         | 97.0%        | 2.5%        | 0.5%        |
| Construction and extraction               | 100.0%       | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 90.6%        | 7.9%        | 1.6%        |
| Production and non-construction trades    | 100.0%       | 0.0%        | 0.0%        |
| Transportation and material moving        | 97.2%        | 2.4%        | 0.4%        |
| Other                                     | 99.9%        | 0.1%        | 0.0%        |
| <b>Total</b>                              | <b>93.1%</b> | <b>5.0%</b> | <b>1.8%</b> |

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to \$15.00 | \$15.01-\$20.00 | \$20.01-\$25.00 | \$25.01-\$30.00 | \$30.01-\$50.00 | \$50.01 & over |
|---|---------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Management                                | 0.0%          | 0.0%            | 0.0%            | 6.8%            | 7.0%            | 86.2%          |
| Business, financial, and legal operations | 0.0%          | 1.6%            | 1.4%            | 3.9%            | 24.7%           | 68.3%          |
| Computer, math, architect, and engineer   | 0.0%          | 0.1%            | 0.1%            | 0.6%            | 7.8%            | 91.4%          |
| Life, physical, and social science        | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 46.9%           | 53.1%          |
| Community and social services             | 0.0%          | 0.0%            | 0.0%            | 0.0%            | 83.3%           | 16.7%          |
| Education, training, and library          | 0.0%          | 0.0%            | 0.0%            | 0.5%            | 20.4%           | 79.2%          |
| Healthcare practitioners and support      | 0.0%          | 0.0%            | 0.0%            | 17.9%           | 51.3%           | 30.8%          |
| Protective services and maintenance       | 2.7%          | 14.4%           | 13.9%           | 4.6%            | 36.8%           | 27.4%          |
| Sales and service                         | 0.0%          | 37.0%           | 8.8%            | 29.2%           | 2.8%            | 22.2%          |
| Office and administrative support         | 0.0%          | 2.8%            | 0.7%            | 8.1%            | 40.2%           | 48.3%          |
| Construction and extraction               | 0.0%          | 2.0%            | 20.8%           | 2.0%            | 72.3%           | 3.0%           |
| Installation, maintenance, and repair     | 0.0%          | 8.0%            | 3.1%            | 9.1%            | 79.8%           | 0.0%           |
| Production and non-construction trades    | 0.0%          | 2.9%            | 16.8%           | 5.6%            | 71.4%           | 3.4%           |
| Transportation and material moving        | 0.0%          | 1.7%            | 2.8%            | 10.8%           | 49.3%           | 35.3%          |
| Other                                     | 0.0%          | 0.0%            | 0.1%            | 0.3%            | 32.3%           | 67.3%          |
| <b>Total</b>                              | <b>0.0%</b>   | <b>6.0%</b>     | <b>4.1%</b>     | <b>6.8%</b>     | <b>22.5%</b>    | <b>60.6%</b>   |

## High technology sales and use tax deferral

Businesses engaged in certain high technology research and development activities, or pilot scale manufacturing, are eligible for a deferral of sales and use taxes on charges for construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to January 1, 2015 (RCW 82.63).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed    |
|-----------------|--------------|----------------------|
| Less than 50    | 8            | \$168,992            |
| 50 to 250       | 20           | 27,611,659           |
| More than 250   | 25           | 354,004,339          |
| <b>Total</b>    | <b>53</b>    | <b>\$381,784,990</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees   | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------|--|--|
| Less than 50    | 206            | 56.8%                                  | 43.2%  |
| 50 to 250       | 2,376          | 68.4%                                  | 31.6%  |
| More than 250   | 255,045        | 70.0%                                  | 30.0%  |
| <b>Total</b>    | <b>257,627</b> | <b>69.9%</b>                           | <b>30.1%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages             | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|-------------------------|--|--|
| Less than 50    | \$23,853,807            | 78.9%                                  | 21.1%  |
| 50 to 250       | 256,593,756             | 82.1%                                  | 17.9%  |
| More than 250   | 41,180,365,561          | 84.2%                                  | 15.8%  |
| <b>Total</b>    | <b>\$41,460,813,124</b> | <b>84.2%</b>                           | <b>15.8%</b>                                 |

## High technology sales and use tax deferral

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees   | Full-time    | Part-time   | Temporary   |
|-----------------|----------------|--------------|-------------|-------------|
| Less than 50    | 165            | 90.9%        | 9.1%        | 0.0%        |
| 50 to 250       | 2,037          | 95.6%        | 4.0%        | 0.3%        |
| More than 250   | 243,071        | 90.8%        | 7.5%        | 1.8%        |
| <b>Total</b>    | <b>245,273</b> | <b>90.8%</b> | <b>7.4%</b> | <b>1.8%</b> |

#### Percent of wages by employment status

| Employment size | Total wages             | Full-time    | Part-time   | Temporary   |
|-----------------|-------------------------|--------------|-------------|-------------|
| Less than 50    | \$21,922,370            | 94.6%        | 5.4%        | 0.0%        |
| 50 to 250       | 237,420,041             | 98.9%        | 1.1%        | 0.0%        |
| More than 250   | 39,342,699,859          | 97.8%        | 2.0%        | 0.2%        |
| <b>Total</b>    | <b>\$39,602,042,270</b> | <b>97.8%</b> | <b>2.0%</b> | <b>0.2%</b> |

#### Incentive amounts by high technology category

| High technology category | Number of participants reporting in each category* | Incentive claimed    |
|--------------------------|--|----------------------|
| Advanced computing       | 18   | \$253,437,221        |
| Advanced materials       | 8  | 11,675,029           |
| Biotechnology            | 26   | 88,731,848           |
| Electronic devices       | 15   | 22,779,829           |
| Environmental            | 4  | 5,161,063            |
| <b>Total</b>             | <b>71</b>  | <b>\$381,784,990</b> |

\*Total does not agree with the first table because some participants may report under multiple technology categories.



## Public research institution equipment sales and use tax exemption

The sale of machinery and equipment used primarily in a research and development operation at public research institutions is exempt from sales and use tax (RCW 82.08.025651, 82.12.025651).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| 250 or more     | 3            | \$5,254,108        |
| <b>Total</b>    | <b>3</b>     | <b>\$5,254,108</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA Employees  | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------|--|--|
| 250 or more     | 50,914        | 67.1%                                  | 32.9%  |
| <b>Total</b>    | <b>50,914</b> | <b>67.1%</b>                           | <b>32.9%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages            | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|------------------------|--|--|
| 250 or more     | \$3,189,345,692        | 81.0%                                  | 19.0%  |
| <b>Total</b>    | <b>\$3,189,345,692</b> | <b>81.0%</b>                           | <b>19.0%</b>                                 |

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees  | Full-time    | Part-time    | Temporary   |
|-----------------|---------------|--------------|--------------|-------------|
| 250 or more     | 50,914        | 68.1%        | 25.1%        | 6.9%        |
| <b>Total</b>    | <b>50,914</b> | <b>68.1%</b> | <b>25.1%</b> | <b>6.9%</b> |

#### Percent of wages by employment status

| Employment size | Total wages            | Full-time    | Part-time    | Temporary   |
|-----------------|------------------------|--------------|--------------|-------------|
| 250 or more     | \$3,189,345,691        | 80.5%        | 17.3%        | 2.2%        |
| <b>Total</b>    | <b>\$3,189,345,691</b> | <b>80.5%</b> | <b>17.3%</b> | <b>2.2%</b> |

### Incentive amounts by high technology category

| High technology category | Number of participants | Incentive claimed  |
|--------------------------|------------------------|--------------------|
| Advanced computing       | CTI                    | CTI                |
| Advanced materials       | CTI                    | CTI                |
| Biotechnology            | CTI                    | CTI                |
| Electronic devices       | CTI                    | CTI                |
| Environmental            | CTI                    | CTI                |
| <b>Total</b>             | <b>3</b>               | <b>\$5,254,108</b> |

## Chapter 6 - Renewable energy industry

Three renewable energy industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

### Renewable energy light and power business public utility tax (PUT) credit

A light and power business may take a credit against PUT for amounts paid to customers as investment cost recovery incentives for renewable energy systems. The credit for a fiscal year may not exceed 1.5% of the business's Calendar Year 2014 taxable sales or \$250,000, whichever is greater. The right to earn tax credits expires June 30, 2029. A light and power business may not claim credits after June 30, 2030 (RCW 82.16.130).

#### Incentive amount by participant size

| Employment size | Participants | Incentive claimed   |
|-----------------|--------------|---------------------|
| Less than 50    | 19           | \$1,522,335         |
| 50 to 250       | 18           | 3,702,051           |
| More than 250   | 8            | 10,180,666          |
| <b>Total</b>    | <b>45</b>    | <b>\$15,405,051</b> |

#### Annual employment data for Calendar Year 2021

##### Percent of employees based on quarters worked

| Employment size | WA Employees  | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------|--|--|
| Less than 50    | 586           | 78.3%                                  | 21.7%  |
| 50 to 250       | 2,585         | 79.5%                                  | 20.5%  |
| More than 250   | 10,092        | 84.7%                                  | 15.3%  |
| <b>Total</b>    | <b>13,263</b> | <b>83.4%</b>                           | <b>16.6%</b>                                 |

##### Percent of wages based on quarters worked

| Employment size | Total wages            | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|------------------------|--|--|
| Less than 50    | \$48,153,678           | 92.6%                                  | 7.4%   |
| 50 to 250       | 226,243,941            | 92.2%                                  | 7.8%   |
| More than 250   | 1,162,807,199          | 90.2%                                  | 9.8%   |
| <b>Total</b>    | <b>\$1,437,204,818</b> | <b>90.6%</b>                           | <b>9.4%</b>                                  |

## Renewable energy light and power business public utility tax (PUT) credit

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees  | Full-time    | Part-time   | Temporary   |
|-----------------|---------------|--------------|-------------|-------------|
| Less than 50    | 519           | 92.9%        | 6.6%        | 0.6%        |
| 50 to 250       | 2,389         | 90.9%        | 6.0%        | 3.1%        |
| More than 250   | 9,646         | 96.6%        | 1.3%        | 2.1%        |
| <b>Total</b>    | <b>12,554</b> | <b>95.4%</b> | <b>2.4%</b> | <b>2.2%</b> |

#### Percent of wages by employment status

| Employment size | Total wages            | Full-time    | Part-time   | Temporary   |
|-----------------|------------------------|--------------|-------------|-------------|
| Less than 50    | \$46,650,010           | 98.6%        | 1.3%        | 0.1%        |
| 50 to 250       | 219,396,194            | 98.6%        | 0.9%        | 0.5%        |
| More than 250   | 1,134,937,310          | 99.0%        | 0.6%        | 0.4%        |
| <b>Total</b>    | <b>\$1,400,983,514</b> | <b>98.9%</b> | <b>0.7%</b> | <b>0.4%</b> |

## Solar energy systems manufacturers or wholesalers reduced B&O tax rates

The B&O tax rate on the manufacturing of solar energy systems or the production of silicon components for these systems is 0.275% until July 1, 2027. If no preferential rate existed, the rate would be 0.484% (RCW 82.04.294).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed |
|-----------------|--------------|-------------------|
| Less than 600   | 3            | \$19,522          |
| <b>Total</b>    | <b>3</b>     | <b>\$19,522</b>   |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA Employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 600   | 78           | 88.5%                                  | 11.5%  |
| <b>Total</b>    | <b>78</b>    | <b>88.5%</b>                           | <b>11.5%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages         | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------------|--|--|
| Less than 600   | \$12,145,134        | 96.0%                                  | 4.0%   |
| <b>Total</b>    | <b>\$12,145,134</b> | <b>96.0%</b>                           | <b>4.0%</b>                                  |

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time     | Part-time   | Temporary   |
|-----------------|--------------|---------------|-------------|-------------|
| Less than 600   | 78           | 100.0%        | 0.0%        | 0.0%        |
| <b>Total</b>    | <b>78</b>    | <b>100.0%</b> | <b>0.0%</b> | <b>0.0%</b> |

#### Percent of wages by employment status

| Employment size | Total wages         | Full-time     | Part-time   | Temporary   |
|-----------------|---------------------|---------------|-------------|-------------|
| Less than 600   | \$12,145,134        | 100.0%        | 0.0%        | 0.0%        |
| <b>Total</b>    | <b>\$12,145,134</b> | <b>100.0%</b> | <b>0.0%</b> | <b>0.0%</b> |

## Solar energy systems manufacturers or wholesalers reduced B&O tax rates

### Distribution of employees by occupation class

| Occupational class                        | Number of employees | Percentage of employees |
|---|---------------------|-------------------------|
| Management                                | 23                  | 29.5%                   |
| Business, financial, and legal operations | 3                   | 3.8%                    |
| Computer, math, architect, and engineer   | 6                   | 7.7%                    |
| Life, physical, and social science        | 9                   | 11.5%                   |
| Community and social services             | 0                   | 0.0%                    |
| Education, training, and library          | 0                   | 0.0%                    |
| Healthcare practitioners and support      | 0                   | 0.0%                    |
| Protective services and maintenance       | 1                   | 1.3%                    |
| Sales and service                         | 0                   | 0.0%                    |
| Office and administrative support         | 2                   | 2.6%                    |
| Construction and extraction               | 0                   | 0.0%                    |
| Installation, maintenance, and repair     | 9                   | 11.5%                   |
| Production and non-construction trades    | 25                  | 32.1%                   |
| Transportation and material moving        | 0                   | 0.0%                    |
| Other                                     | 0                   | 0.0%                    |
| <b>Total</b>                              | <b>78</b>           | <b>100.0%</b>           |

### Percent of employees by employment status and occupation class

| Occupational class                        | Full-time     | Part-time   | Temporary   |
|---|---------------|-------------|-------------|
| Management                                | 100.0%        | 0.0%        | 0.0%        |
| Business, financial, and legal operations | 100.0%        | 0.0%        | 0.0%        |
| Computer, math, architect, and engineer   | 100.0%        | 0.0%        | 0.0%        |
| Life, physical, and social science        | 100.0%        | 0.0%        | 0.0%        |
| Community and social services             | 0.0%          | 0.0%        | 0.0%        |
| Education, training, and library          | 0.0%          | 0.0%        | 0.0%        |
| Healthcare practitioners and support      | 0.0%          | 0.0%        | 0.0%        |
| Protective services and maintenance       | 100.0%        | 0.0%        | 0.0%        |
| Sales and service                         | 0.0%          | 0.0%        | 0.0%        |
| Office and administrative support         | 100.0%        | 0.0%        | 0.0%        |
| Construction and extraction               | 0.0%          | 0.0%        | 0.0%        |
| Installation, maintenance, and repair     | 100.0%        | 0.0%        | 0.0%        |
| Production and non-construction trades    | 100.0%        | 0.0%        | 0.0%        |
| Transportation and material moving        | 0.0%          | 0.0%        | 0.0%        |
| Other                                     | 0.0%          | 0.0%        | 0.0%        |
| <b>Total</b>                              | <b>100.0%</b> | <b>0.0%</b> | <b>0.0%</b> |

## Solar energy systems manufacturers or wholesalers reduced B&O tax rates

### Percent distribution of employees by occupation class and hourly wage range

| Occupational class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& over |
|---|------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Management                                | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 100.0%            |
| Business, financial, and legal operations | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 33.3%               | 66.7%             |
| Computer, math, architect, and engineer   | 0.0%             | 0.0%                | 0.0%                | 16.7%               | 33.3%               | 50.0%             |
| Life, physical, and social science        | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 66.7%               | 33.3%             |
| Community and social services             | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Education, training, and library          | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Healthcare practitioners and support      | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Protective services and maintenance       | 0.0%             | 0.0%                | 0.0%                | 100.0%              | 0.0%                | 0.0%              |
| Sales and service                         | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Office and administrative support         | 0.0%             | 0.0%                | 0.0%                | 50.0%               | 50.0%               | 0.0%              |
| Construction and extraction               | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Installation, maintenance, and repair     | 0.0%             | 0.0%                | 0.0%                | 77.8%               | 11.1%               | 11.1%             |
| Production and non-construction trades    | 0.0%             | 0.0%                | 0.0%                | 44.0%               | 52.0%               | 4.0%              |
| Transportation and material moving        | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| Other                                     | 0.0%             | 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |
| <b>Total</b>                              | <b>0.0%</b>      | <b>0.0%</b>         | <b>0.0%</b>         | <b>26.9%</b>        | <b>30.8%</b>        | <b>42.3</b>       |

## Chapter 7 - Timber Industry

Two timber industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

### Hog fuel sales and use tax exemption (by facility)

Hog fuel used to produce electricity, steam, heat, or biofuel is exempt from retail sales and use taxes. Hog fuel is wood waste and other wood residuals, including forest derived biomass, but excludes firewood and wood pellets. Participants submit the annual tax performance report for this incentive by facility. This exemption expires June 30, 2024 (RCW 82.08.956; 82.12.956).

#### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| Less than 250   | 7            | \$1,283,390        |
| 250 or more     | 7            | 995,204            |
| <b>Total</b>    | <b>14</b>    | <b>\$2,278,594</b> |

#### Annual employment data for Calendar Year 2021

##### Percent of employees based on quarters worked

| Employment size | WA employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 250   | 1,405        | 71.6%                                  | 28.4%  |
| 250 or more     | 3,403        | 73.8%                                  | 26.2%  |
| <b>Total</b>    | <b>4,808</b> | <b>73.2%</b>                           | <b>26.8%</b>                                 |

##### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 250   | \$103,952,740        | 85.8%                                  | 14.2%  |
| 250 or more     | 264,082,376          | 78.1%                                  | 21.9%  |
| <b>Total</b>    | <b>\$368,035,116</b> | <b>80.3%</b>                           | <b>19.7%</b>                                 |

## Hog fuel sales and use tax exemption (by facility)

Annual employment data for employees employed on December 31, 2021

Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary   |
|-----------------|--------------|--------------|-------------|-------------|
| Less than 250   | 844          | 99.5%        | 0.5%        | 0.0%        |
| 250 or more     | 3,018        | 100.0%       | 0.0%        | 0.0%        |
| <b>Total</b>    | <b>3,862</b> | <b>99.9%</b> | <b>0.1%</b> | <b>0.0%</b> |

Percent of wages by employment status

| Employment size | Total wages          | Full-time     | Part-time   | Temporary   |
|-----------------|----------------------|---------------|-------------|-------------|
| Less than 250   | \$56,274,000         | 99.8%         | 0.0%        | 0.0%        |
| 250 or more     | 224,714,406          | 100.0%        | 0.2%        | 0.0%        |
| <b>Total</b>    | <b>\$280,988,406</b> | <b>100.0%</b> | <b>0.0%</b> | <b>0.0%</b> |



## Timber and wood products reduced B&O tax rates

Persons extracting or manufacturing timber and selling timber and wood products at wholesale receive a preferential B&O tax rate of 0.2904% (0.3424% after including the 0.052% surcharge to finance riparian habitat). This preferential tax rate expires July 1, 2045. At that time, income from these activities becomes taxable under the B&O tax rate of 0.484% (RCW 82.04.260(12)).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed   |
|-----------------|--------------|---------------------|
| Less than 50    | 586          | \$4,634,980         |
| 50 to 250       | 53           | 3,927,274           |
| More than 250   | 16           | 8,819,279           |
| <b>Total</b>    | <b>655</b>   | <b>\$17,381,532</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA employees  | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|---------------|--|--|
| Less than 50    | 4,675         | 56.0%                                  | 44.0%  |
| 50 to 250       | 7,029         | 63.9%                                  | 36.1%  |
| More than 250   | 9,623         | 72.9%                                  | 27.1%  |
| <b>Total</b>    | <b>21,327</b> | <b>66.2%</b>                           | <b>33.8%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages            | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|------------------------|--|--|
| Less than 50    | \$220,713,929          | 83.3%                                  | 16.7%  |
| 50 to 250       | 450,667,702            | 85.2%                                  | 14.8%  |
| More than 250   | 728,250,179            | 82.3%                                  | 17.7%  |
| <b>Total</b>    | <b>\$1,399,631,810</b> | <b>83.4%</b>                           | <b>16.6%</b>                                 |

## Timber and wood products reduced B&O tax rates

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees  | Full-time    | Part-time   | Temporary   |
|-----------------|---------------|--------------|-------------|-------------|
| Less than 50    | 3,228         | 81.2%        | 15.0%       | 3.9%        |
| 50 to 250       | 5,867         | 98.0%        | 1.9%        | 0.1%        |
| More than 250   | 8,812         | 99.1%        | 0.6%        | 0.4%        |
| <b>Total</b>    | <b>17,907</b> | <b>95.5%</b> | <b>3.6%</b> | <b>0.9%</b> |

#### Percent of wages by employment status

| Employment size | Total wages            | Full-time    | Part-time   | Temporary   |
|-----------------|------------------------|--------------|-------------|-------------|
| Less than 50    | \$145,366,910          | 94.0%        | 5.1%        | 0.9%        |
| 50 to 250       | 422,139,647            | 99.4%        | 0.4%        | 0.1%        |
| More than 250   | 678,101,358            | 99.6%        | 0.3%        | 0.1%        |
| <b>Total</b>    | <b>\$1,245,607,915</b> | <b>98.9%</b> | <b>0.9%</b> | <b>0.2%</b> |

## Chapter 8 – Other programs

There are 13 other programs requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

### Newspaper reduced B&O tax rate

Businesses in the newspaper industry receive a preferential B&O tax rate for printing and/or publishing newspapers. This B&O tax rate is 0.35% until July 1, 2024, at which time the rate increases to 0.484%.

The definition of “newspaper” for B&O tax purposes includes electronic versions of a printed newspaper. The preferential rate applies to advertising and subscription revenues generated from the online version of a printed newspaper (RCW 82.04.260(14a)).

#### Incentive amount by participant size

| Employment size | Participants | Incentive claimed |
|-----------------|--------------|-------------------|
| Less than 50    | 60           | \$145,862         |
| 50 or more      | 11           | \$305,517         |
| <b>Total</b>    | <b>71</b>    | <b>\$451,379</b>  |

#### Annual employment data for Calendar Year 2021

##### Percent of employees based on quarters worked

| Employment size | WA Employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 50    | 622          | 63.7%                                  | 36.3%  |
| 50 or more      | 2,172        | 62.3%                                  | 37.7%  |
| <b>Total</b>    | <b>2,794</b> | <b>62.6%</b>                           | <b>37.4%</b>                                 |

##### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 50    | \$24,835,748         | 82.9%                                  | 17.1%  |
| 50 or more      | 91,875,210           | 86.9%                                  | 13.1%  |
| <b>Total</b>    | <b>\$116,710,958</b> | <b>86.0%</b>                           | <b>14.0%</b>                                 |

## Newspaper reduced B&O tax rate

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time    | Temporary   |
|-----------------|--------------|--------------|--------------|-------------|
| Less than 50    | 542          | 67.9%        | 32.1%        | 0.0%        |
| 50 or more      | 1,805        | 83.6%        | 14.8%        | 1.6%        |
| <b>Total</b>    | <b>2,347</b> | <b>80.0%</b> | <b>18.8%</b> | <b>1.2%</b> |

#### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 50    | \$21,252,382         | 89.4%        | 10.6%       | 0.0%        |
| 50 or more      | 86,051,843           | 93.4%        | 6.2%        | 0.4%        |
| <b>Total</b>    | <b>\$107,304,225</b> | <b>92.6%</b> | <b>7.1%</b> | <b>0.4%</b> |

## Washington Filmworks contributors B&O tax credit

Businesses contributing to the Washington motion picture competitiveness program receive a B&O tax credit equal to the lesser of the contribution made or \$750,000 for each contributor. The total statewide credit cannot exceed \$3.5 million a year. Businesses cannot earn credits after June 30, 2027, and must claim the credit on returns by December 31, 2030 (RCW 82.04.4489).

### Incentive amount by participant size

| Employment size | Participants | Incentive claimed  |
|-----------------|--------------|--------------------|
| Less than 250   | 6            | \$174,886          |
| More than 250   | 5            | \$3,325,114        |
| <b>Total</b>    | <b>11</b>    | <b>\$3,500,000</b> |

### Annual employment data for Calendar Year 2021

#### Percent of employees based on quarters worked

| Employment size | WA Employees | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|--------------|--|--|
| Less than 250   | 139          | 61.9%                                  | 38.1%  |
| More than 250   | 5,461        | 63.2%                                  | 36.8%  |
| <b>Total</b>    | <b>5,600</b> | <b>63.1%</b>                           | <b>36.9%</b>                                 |

#### Percent of wages based on quarters worked

| Employment size | Total wages          | Employees who worked all four quarters | Employees who worked less than four quarters |
|-----------------|----------------------|--|--|
| Less than 250   | \$10,707,031         | 86.8%                                  | 13.2%  |
| More than 250   | 431,254,056          | 81.9%                                  | 18.1%  |
| <b>Total</b>    | <b>\$441,961,087</b> | <b>82.0%</b>                           | <b>18.0%</b>                                 |

### Annual employment data for employees employed on December 31, 2021

#### Percent of employees by job status

| Employment size | WA employees | Full-time    | Part-time   | Temporary   |
|-----------------|--------------|--------------|-------------|-------------|
| Less than 250   | 135          | 88.1%        | 11.9%       | 0.0%        |
| More than 250   | 6,736        | 93.3%        | 6.4%        | 0.2%        |
| <b>Total</b>    | <b>6,871</b> | <b>93.2%</b> | <b>6.5%</b> | <b>0.2%</b> |

#### Percent of wages by employment status

| Employment size | Total wages          | Full-time    | Part-time   | Temporary   |
|-----------------|----------------------|--------------|-------------|-------------|
| Less than 250   | \$10,707,031         | 95.4%        | 4.6%        | 0.0%        |
| More than 250   | 595,591,444          | 98.1%        | 1.9%        | 0.0%        |
| <b>Total</b>    | <b>\$606,298,475</b> | <b>98.1%</b> | <b>1.9%</b> | <b>0.0%</b> |