

Descriptive Statistics for Tax Incentive Programs

2018 Report to the Legislature
Covering Calendar Year 2017 Activity



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Executive Summary

Revised Code of Washington (RCW) 82.32.534 and 82.32.585 (repealed during the 2017 legislative session) require the Department of Revenue (Department) to summarize data from annual surveys and reports for select tax incentive programs by December 31 of each year. Taxpayers (participants) must file their annual survey and/or 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 annual survey and/or report after the due date may qualify for an extension. If they do not qualify for an extension, a participant owes a portion of the incentive claimed. This publication includes late filings since the participant receives a portion of the incentive.

Beginning January 1, 2018, a new annual tax performance report replaces the annual survey and report. Businesses that previously filed one or both of these annual documents will file only the annual tax performance report. The reporting change begins with tax incentives claimed in Calendar Year 2018 and reported in 2019.

This publication represents information provided by participants as well as corrections made during the Department's review. This publication reflects 43 tax incentive programs for activity occurring in Calendar Year 2017. The information is as of November 5, 2018.

Highlights

Most participants in 2017

<i>Incentive</i>	<i>Number of participants</i>
Timber industry reduced business and occupation (B&O) tax rate	703
Aerospace manufacturing reduced B&O tax rate	349
Fruit and vegetable processors B&O tax exemption	261
Renewable energy equipment sales & use tax exemption	223

Largest 2017 revenue impact for survey incentives

<i>Incentive</i>	<i>Tax saved (millions)</i>
High technology sales and use tax deferral	\$393
Aerospace manufacturing reduced B&O tax rate	\$111
Preproduction expenditures B&O tax credit	\$86
Rural or high unemployment county sales and use tax deferral	\$51

Employment – total in-state jobs

<i>Incentive</i>	<i>Number of jobs</i>
High technology sales and use tax deferral	192,741
Data center sales and use tax exemption	140,282
Aerospace manufacturing incentives	92,390

Incentives with no annual survey or report filed for 2017

- Aerospace FAR Part 145 repair station sales and use tax exemption,
- Aerospace leasehold tax exemption for superefficient airplane manufacturers,
- Aerospace personal property tax exemption for superefficient airplane manufacturers,
- Aluminum smelters use tax exemption for compressed/liquefied natural gas, and
- Corporate headquarters facilities sales and use tax deferral.

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

Incentives – confidential taxpayer information (survey)

- Aerospace manufacturing site sales and use tax exemption,
- Aluminum smelters property tax B&O tax credit,
- Aluminum smelters reduced B&O tax rate,
- Aluminum smelters sales and use tax credit,
- Manufacturer’s site sales and use tax deferral,
- Semiconductor sales and use tax exemption, and
- Solar energy systems manufacturers or processors sales and use tax exemption, and
- Veteran employer public utilities tax credit.

Incentives - confidential taxpayer information (report)

- Aluminum smelter tax incentives,
- Electrolytic processing industry tax incentive, and
- Semiconductor cluster.

The rest of the publication provides detailed information by incentive program. Participants filing an annual report do not declare the amount of taxpayer savings from the incentive. For this reason, the publication groups incentives by industry.

Understanding the publication

Combining data

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

Annual survey

Incentive amounts

Participants declare only tax savings on the annual survey. The tax savings calculations differ by incentive type as listed below:

1. Credits taken against B&O tax,
2. Deductions or exempt B&O tax,
3. Deferred or exempt sales and use tax, or
4. Preferred B&O tax rates, which is the difference between the preferred and general rates.

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 each year will result in overstated deferred amounts.

Data tables

Programs with fewer than three participants that reported are excluded from this publication. We present three tables for each incentive requiring an annual survey.

1. The first table reflects the incentive amounts and number of participants by size.
2. The second table displays the number of employees by participant size and job status.
3. The third table shows the number of Washington employees by annual wage and benefits.

A handful of the incentives have additional tables. The high technology sales and use tax deferral and the public institution sales and use tax exemption declare tax incentive savings by high technology categories. These two incentives plus the high unemployment county and the rural county sales and use tax deferrals include a table that reflects evidence of new innovation.

Annual reports

For annual reports, participants have an option to provide employment data by site or for all Washington sites collectively. Once a participant selects "All Washington" to file their employment details, they cannot submit data by site for future reporting. Out-of-state participants required to file an annual report may not be included in total participant counts if they did not have employees in Washington. The data is prepared in the following tables:

1. The first table displays employee count and percentage by occupation.
2. The second table lists distribution of employees by occupation and hourly wage.
3. The final tables reveal employment status and benefits.

Overview of tax incentives for Calendar Year 2017 - annual survey

Tax incentives by major industry	Participants	Total jobs	Tax savings
<i>Aerospace</i>			
Aircraft repairs FAR Part 145 reduced B&O tax rate	35	4,765	\$ 643,073
Computer, software, and peripherals sales and use tax exemption	14	67,589	\$ 4,924,670
Manufacturing reduced B&O tax rate	349	92,390	\$ 110,903,057
Manufacturing site sales and use tax exemption	CTI ¹	CTI	CTI
Preproduction expenditures B&O tax credit	70	74,141	\$ 86,180,273
Product development reduced B&O tax rate	119	4,767	\$ 2,591,514
Property and leasehold taxes B&O tax credit	26	73,053	\$ 38,162,256
<i>Agricultural products</i>			
Agricultural crop protection products hazardous substance tax exemption	5	628	\$ 487,658
Agricultural sales and use tax deferral	53	14,157	\$ 29,751,000
Dairy products manufacturers B&O tax exemption	31	4,763	\$ 4,857,918
Fruit and vegetable processors B&O tax exemption	261	14,039	\$ 17,894,874
Seafood products B&O tax exemption	40	3,515	\$ 3,955,188
<i>High technology and computing</i>			
Biotechnology sales and use tax deferral	9	2,011	\$ 5,134,475
Data centers sales and use tax exemption	18	140,282	\$ 36,406,232
High technology sales and use tax deferral	94	192,741	\$ 393,404,772
Public research institutions sales and use tax exemption	3	51,237	\$ 8,303,249
Semiconductor industry	CTI	CTI	CTI
<i>Other manufacturing</i>			
Solar energy systems manufacturers or wholesalers reduced B&O tax rate	6	397	\$ 313,229
Rural or high unemployment county sales and use tax	136	21,875	\$ 50,879,294
Timber and wood products reduced B&O tax rate	703	18,810	\$ 13,518,937
Aluminum smelting	CTI	CTI	CTI
Manufacturer's site sales and use tax deferral	CTI	CTI	CTI
Solar energy systems sales and use tax exemption	CTI	CTI	CTI
<i>Other programs</i>			
Hog fuel sales and use tax exemption	18	4,858	\$ 2,809,611
Renewable energy equipment sales and use tax exemption	223	46,624	\$ 802,307
Renewable energy light and power business PUT credit	43	11,522	\$ 30,825,074
Customized employment training B&O tax credit	10	1,503	\$ 86,270
Veteran employer B&O tax credit	16	333	\$ 14,430
Tribal property tax exemption	3	8,867	\$ 1,003,881

¹ Fewer than three participants; therefore, confidential taxpayer information (CTI).

Overview of tax incentives for Calendar Year 2017 - annual report

Tax incentives by major industry	Participants	Total jobs
<i>Aerospace</i>		
Aircraft repairs FAR Part 145 reduced B&O tax rate	35	4,861
Manufacturing	350	92,106
Non-manufacturers	127	4,478
<i>High technology and computing</i>		
Data centers sales and use tax exemption	18	75,550
Semiconductor industry	CTI ¹	CTI
<i>Other manufacturing</i>		
Newspapers reduced B&O tax rate	90	26,158
Aluminum smelting	CTI	CTI
<i>Other programs</i>		
Government-funded mental health services B&O tax	19	3,619
Energy for electrolyte processors	CTI	CTI

¹ Fewer than three participants; therefore, confidential taxpayer information (CTI).

Chapter 1 - Aerospace Industry

Ten aerospace industry incentives require participants to submit an annual survey. 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 manufacturers reduced B&O tax rates

Manufacturers of commercial airplanes or components of commercial airplanes, as well as tooling used in the production of commercial aircraft, receive a preferential B&O tax rate of 0.2904 percent. The general tax rate for manufacturing is 0.484 percent. This preferential rate expires July 1, 2040. (RCW 82.04.260)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	236	\$3,159,742
50 to 250	85	\$4,425,527
More than 250	28	\$103,317,788
Total	349	\$110,903,057

Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	1,973	94.2	5.6	0.2
50 to 250	10,091	95.8	1.5	2.7
More than 250	80,326	99.4	0.2	0.3
Total	92,390	98.9	0.5	0.6

* The total percentage for the employment status may not total 100% due to rounding.

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	2,818	1,730	1,694	1,129
\$30,000 - \$60,000	21,410	18,756	18,600	17,010
More than \$60,000	68,162	66,590	66,526	65,999
Total	92,390	87,076	86,820	84,138

Aerospace product development reduced B&O tax rate

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

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	104	\$452,946
50 to 250	8	\$182,669
More than 250	7	\$1,955,898
Total	119	\$2,591,514

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	429	91.8	8.2	0.0
50 to 250	757	99.6	0.4	0.0
More than 250	3,581	78.8	0.2	21.0
Total	4,767	83.3	0.9	15.8

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	448	149	129	110
\$30,000 - \$60,000	1,709	1,047	982	903
More than \$60,000	2,610	2,123	1,973	1,887
Total	4,767	3,319	3,084	2,900

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 percent of qualified expenditures. Qualified expenditures include research, design, and engineering costs incurred in the development of aerospace products, but do not include 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 of participant	Participants	Incentive claimed
Less than 50	41	\$477,614
50 to 250	19	\$774,974
More than 250	10	\$84,927,685
Total	70	\$86,180,273

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	370	94.5	5.5	0.0
50 to 250	2,314	96.8	0.9	2.3
More than 250	71,457	99.5	0.2	0.3
Total	74,141	99.4	0.2	0.4

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	705	512	507	465
\$30,000 - \$60,000	10,622	9,323	9,441	9,595
More than \$60,000	62,814	61,530	61,528	61,816
Total	74,141	71,365	71,476	71,876

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 percent. Without the preferential rate, these businesses would pay the 0.471 percent retailing of interstate transportation equipment rate. The preferred B&O tax rate expires July 1, 2040. (RCW 82.04.250)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	22	\$125,073
50 to 250	7	\$215,997
More than 250	6	\$302,003
Total	35	\$643,073

Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	298	96.8	3.2	0.0
50 to 250	898	99.4	0.6	0.0
More than 250	3,569	97.0	0.1	2.8
Total	4,765	97.5	0.4	2.1

* The total percentage for the employment status may not total 100% due to rounding.

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	228	138	122	140
\$30,000 - \$60,000	2,333	1,834	1,816	1,672
More than \$60,000	2,204	1,869	1,863	1,962
Total	4,765	3,841	3,801	3,774

Aerospace property and leasehold 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 constructed after December 1, 2003, and used exclusively to manufacture commercial airplanes or components. The credit is also available for leasehold excise taxes paid on land and buildings constructed after January 1, 2006, and used exclusively for the same purposes.

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 of participant	Participants	Incentive claimed
Less than 50	5	\$88,570
50 to 250	11	\$598,683
More than 250	10	\$37,475,003
Total	26	\$38,162,256

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	109	92.8	7.2	0.0
50 to 250	1,359	98.8	0.6	0.6
More than 250	71,585	99.7	0.2	0.1
Total	73,053	99.7	0.2	0.1

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	639	514	499	469
\$30,000 - \$60,000	11,623	10,710	10,708	10,664
More than \$60,000	60,791	60,100	60,124	60,540
Total	73,053	71,324	71,331	71,673

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 of participant	Participants	Incentive claimed
Less than 50	8	\$185,981
50 or more	6	\$4,738,689
Total	14	\$4,924,670

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	85	90.6	9.4	0.0
50 or more	67,504	99.7	0.2	0.1
Total	67,589	99.7	0.2	0.1

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	256	216	218	186
\$30,000 - \$60,000	7,559	7,040	7,059	7,351
More than \$60,000	59,774	59,185	59,249	59,045
Total	67,589	66,441	66,526	66,582

Chapter 2 - Agriculture Industry

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

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 percent. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items will become taxable under the preferential B&O tax rate classification of 0.138 percent. (RCW 82.04.4266)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	224	\$2,032,179
50 to 250	24	\$3,982,912
More than 250	13	\$11,879,783
Total	261	\$17,894,874

Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	1,886	51.4	42.2	6.4
50 to 250	2,628	89.4	8.3	2.3
More than 250	9,525	94.2	1.7	4.1
Total	14,039	87.5	8.4	4.1

* The total percentage for the employment status may not total 100% due to rounding.

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	3,788	1,033	758	550
\$30,000 - \$60,000	7,797	5,703	5,595	5,017
More than \$60,000	2,454	2,140	2,039	2,016
Total	14,039	8,876	8,392	7,583

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 percent. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items will become taxable under the preferential B&O tax rate of 0.138 percent. (RCW 82.04.4268)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	22	\$64,911
50 or more	9	\$4,793,008
Total	31	\$4,857,918

Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	174	56.0	43.5	0.6
50 or more	4,589	93.3	2.3	4.4
Total	4,763	92.0	3.8	4.2

* The total percentage for the employment status may not total 100% due to rounding.

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	647	278	259	196
\$30,000 - \$60,000	2,893	2,306	2,155	1,586
More than \$60,000	1,223	1,136	1,106	1,033
Total	4,763	3,720	3,520	2,815

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 percent. This exemption expires July 1, 2025. At that time, income from the manufacturing and wholesaling of these items will become taxable under the preferential B&O tax rate of 0.138 percent. (RCW 82.04.4269)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	27	\$1,066,164
50 or more	13	\$2,889,024
Total	40	\$3,955,188

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	327	80.9	14.8	4.3
50 or more	3,188	84.1	4.5	11.4
Total	3,515	83.8	5.5	10.7

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	1,013	424	340	243
\$30,000 - \$60,000	1,753	1,254	1,168	855
More than \$60,000	749	616	604	562
Total	3,515	2,294	2,112	1,660

Agricultural sales and use tax deferral

Participants processing fresh fruit and vegetables, operating cold storage warehouses for storing such products, engaging in R&D activities related to processing of such products, or manufacturing dairy products or seafood 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 this deferral prior to July 1, 2012. (RCW 82.74)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 250	33	\$17,070,993
250 or more	20	\$12,680,007
Total	53	\$29,751,000

Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 250	2,115	75.0	9.5	15.5
250 or more	12,042	92.3	5.6	2.0
Total	14,157	89.7	6.2	4.1

* The total percentage for the employment status may not total 100% due to rounding.

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	5,436	1,512	996	877
\$30,000 - \$60,000	6,479	4,622	3,993	3,440
More than \$60,000	2,242	2,056	1,926	1,860
Total	14,157	8,190	6,915	6,177

Agricultural crop protection products hazardous substance tax exemption

Pesticides or insecticides intended for agricultural crop protection by farmers or certified applicators are exempt from the state hazardous substance tax. The pesticides or insecticides must be warehoused in Washington State, or transported to or from the state without being used in the state. The products cannot be packaged, repackaged, or manufactured in the state. (RCW 82.21.040)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 600	5	\$487,658
Total	5	\$487,658

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 600	628	97.0	1.1	1.9
Total	628	97.0	1.1	1.9

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	81	73	73	56
\$30,000 - \$60,000	297	275	277	267
More than \$60,000	250	244	244	236
Total	628	592	594	559

Chapter 3 - Timber Industry

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

Timber and wood products reduced B&O tax rates

Persons extracting or manufacturing timber and selling timber or wood products at wholesale receive a preferential B&O tax rate of 0.2904 percent (0.3424 percent after including the 0.052 percent surcharge to finance riparian habitat). This preferential tax rate expires July 1, 2024. At that time, income from these activities will become taxable under the general B&O tax rate of 0.484 percent. (RCW 82.04.260(12))

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	636	\$3,553,884
50 to 250	46	\$2,679,191
More than 250	21	\$7,285,862
Total	703	\$13,518,937

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	3,209	87.0	10.8	2.2
50 to 250	4,884	96.1	2.3	1.6
More than 250	10,717	98.5	0.8	0.7
Total	18,810	95.9	2.9	1.2

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	2,003	695	613	530
\$30,000 - \$60,000	8,865	6,460	6,041	6,280
More than \$60,000	7,942	6,137	5,813	6,020
Total	18,810	13,292	12,467	12,830

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. This exemption expires June 30, 2024. (RCW 82.08.956; 82.12.956)

Incentive amount by facility size

Employment size of participant	Participants	Incentive claimed
Less than 250	11	\$1,029,000
250 or more	7	\$1,780,611
Total	18	\$2,809,611

Job status by facility size

Employment size of facility	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 250	1,179	99.6	0.2	0.2
250 or more	3,679	99.8	0.0	0.2
Total	4,858	99.8	0.1	0.2

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	58	8	6	45
\$30,000 - \$60,000	2,536	1,921	1,929	2,321
More than \$60,000	2,264	2,086	2,109	2,181
Total	4,858	4,015	4,044	4,547

Chapter 4 - High Technology Industry

Four high technology industry incentives require a participant to submit an annual survey. This chapter shows the cumulative results for each incentive with three or more participants. We list the incentives without at least three participants reporting in the executive summary.

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 of participant	Participants	Incentive claimed
Less than 50	23	\$3,328,138
50 to 250	31	\$27,664,728
More than 250	40	\$362,411,906
Total	94	\$393,404,772

Incentive amounts by high technology category

High technology category	Participants*	Incentive claimed
Advanced Computing	30	\$233,135,209
Advanced Materials	14	\$15,850,388
Biotechnology	42	\$117,368,640
Electronic Device	25	\$18,788,650
Environmental Tech	12	\$8,261,887
Total	123	\$393,404,772

*Totals do not agree with the above table due to participants reporting under multiple technology categories.

High technology sales and use tax deferral (continued)

Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	471	91.6	6.3	2.1
50 to 250	3,929	93.3	5.3	1.4
More than 250	188,341	86.6	9.4	4.1
Total	192,741	86.7	9.3	4.0

* The total percentage for the employment status may not total 100% due to rounding.

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	17,362	5,248	5,929	6,401
\$30,000 - \$60,000	28,819	24,764	25,517	25,377
More than \$60,000	146,560	139,347	139,132	130,241
Total	192,741	169,359	170,578	162,019

Innovations and evidence

Employment size of participant	New products or processes	New research projects	Patents	Copyrights	Trademarks
Less than 50	119	14	48	5	2
50 to 250	24	167	80	0	8
More than 250	8,372	10,679	8,630	72	79
Total	8,515	10,860	8,758	77	89

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. (RCW 82.82.08.986, 82.12.986)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 250	12	\$5,773,096
250 or more	6	\$30,633,135
Total	18	\$36,406,232

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 250	252	100.0	0.0	0.0
250 or more	140,030	94.4	4.5	1.1
Total	140,282	94.4	4.5	1.1

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	10,808	9,962	9,930	9,692
\$30,000 - \$60,000	14,867	13,839	13,832	14,297
More than \$60,000	114,607	109,741	109,108	107,211
Total	140,282	133,542	132,870	131,200

Biotechnology sales and use tax deferral

Biotechnology product manufacturers 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 of participant	Participants	Incentive claimed
Less than 250	5	\$1,222,662
More than 250	4	\$3,911,813
Total	9	\$5,134,475

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 250	327	97.1	1.4	1.5
More than 250	1,684	96.3	1.0	2.7
Total	2,011	96.4	1.1	2.5

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	41	24	23	22
\$30,000 - \$60,000	768	622	634	581
More than \$60,000	1,202	1,117	1,116	1,033
Total	2,011	1,763	1,773	1,636

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 of participant	Participants	Incentive claimed
More than 250	3	\$8,303,249
Total	3	\$8,303,249

Employment size of participant

High technology category	Participants*	Incentive claimed*
Advanced computing	CTI	CTI
Advanced materials	CTI	CTI
Biotechnology	CTI	CTI
Electronic devices	CTI	CTI
Environmental	CTI	CTI
Total	3	\$8,303,249

*Less than three participants; therefore, confidential taxpayer information (CTI).

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
More than 250	51,237	63.5	23.6	12.9
Total	51,237	63.5	23.6	12.9

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	13,797	3,686	4,295	4,524
\$30,000 - \$60,000	15,509	13,537	14,262	14,439
More than \$60,000	21,931	20,357	21,194	21,175
Total	51,237	37,580	39,751	40,138

Public research institution equipment sales and use tax exemption (continued)

Innovations and evidence

Employment size of participant	New products or processes	New research projects	Patents	Copyrights	Trademarks
More than 250	276	744	136	5	3
Total	276	744	136	5	3

Chapter 5 - Renewable Energy Industry

Three renewable energy industry incentives require a participant to submit an annual survey. 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.

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

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

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 600	6	\$313,229
Total	6	\$313,229

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 600	397	98.6	1.4	0.0
Total	397	98.6	1.4	0.0

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	30	15	16	0
\$30,000 - \$60,000	88	68	69	35
More than \$60,000	279	271	276	261
Total	397	354	361	296

Renewable energy equipment retail sales and use tax exemption (By facility)

A sales and use tax exemption exists for machinery and equipment used directly in generating electricity from wind, sun, fuel cells, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost energy from exhaust or landfill gas. To qualify for the exemption, the purchaser must use the machinery and equipment to develop a facility capable of generating at least one thousand watts of electricity. The exemption includes installation labor and services of the qualifying machinery and equipment. The exemption expires January 1, 2020. (RCW 82.08.962; 82.12.962)

Incentive amount by facility size

Employment size of facility	Facilities	Incentive claimed
Less than 10	215	\$689,415
10 or more	8	\$112,892
Total	223	\$802,307

Job status by facility size

Employment size of facility	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 10	9	100.0	0.0	0.0
10 or more	46,615	59.4	25.3	15.3
Total	46,624	59.4	25.3	15.3

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	13,982	3,097	3,620	3,943
\$30,000 - \$60,000	12,368	10,320	11,123	11,293
More than \$60,000	20,274	18,709	19,657	19,601
Total	46,624	32,126	34,400	34,837

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 one and one half percent of the business' taxable sales in 2014 or \$250,000; whichever is greater. The right to earn tax credits expires June 30, 2029. Businesses must claim the credit by June 30, 2030. (RCW 82.16.130)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	18	\$2,787,422
50 to 250	18	\$3,887,307
More than 250	7	\$24,150,345
Total	43	\$30,825,074

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	369	90.7	9.2	0.1
50 to 250	2,210	91.8	4.3	3.9
More than 250	8,943	94.6	2.7	2.7
Total	11,522	93.9	3.2	2.9

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	298	104	101	125
\$30,000 - \$60,000	1,840	1,461	1,449	1,550
More than \$60,000	9,384	8,162	8,076	8,326
Total	11,522	9,727	9,626	10,001

Chapter 6 - Other Programs

There are five other incentive programs that require a participant to submit an annual survey. 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

A B&O tax credit is allowed for half of the costs of customized workforce training paid by employers to the State Board for Community Colleges. Businesses must use the credit by June 30, 2021. (RCW 82.04.449)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	3	\$4,143
50 or more	7	\$82,127
Total	10	\$86,270

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	85	90.8	9.2	0.0
50 or more	1,418	99.4	0.4	0.2
Total	1,503	98.9	0.9	0.2

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	168	137	144	88
\$30,000 - \$60,000	861	710	691	540
More than \$60,000	474	361	343	351
Total	1,503	1,208	1,178	979

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. The deferral program expires July 1, 2020. (RCW 82.60)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	21	\$3,268,262
50 to 250	26	\$6,078,567
More than 250	10	\$6,336,846
Total	57	\$15,683,675

Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	523	87.6	12.2	0.2
50 to 250	3,130	97.9	1.5	0.5
More than 250	5,105	91.6	6.7	1.8
Total	8,758	93.6	5.2	1.2

* The total percentage for the employment status may not total 100% due to rounding.

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	1,505	767	790	656
\$30,000 - \$60,000	4,347	3,746	3,699	3,271
More than \$60,000	2,906	2,712	2,701	2,486
Total	8,758	7,225	7,190	6,413

High unemployment county sales and use tax deferral (continued)

Innovations and evidence

Employment size of participant	New products or processes	New research projects	Patents	Copyrights	Trademarks
Less than 50	10	14	5	0	1
50 to 250	0	0	0	0	3
More than 250	3	5	21	0	1
Total	13	19	26	0	5

Rural 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. Manufacturers must locate the project in a county with a population density averaging less than 100 residents per square mile or in counties containing a 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, 2010. (RCW 82.60)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	37	\$6,287,131
50 to 250	31	\$20,790,192
More than 250	11	\$8,118,296
Total	79	\$35,195,619

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	576	81.2	15.7	3.1
50 to 250	4,225	91.9	2.0	6.1
More than 250	8,316	93.7	3.1	3.2
Total	13,117	92.6	3.3	4.1

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	2,188	1,143	1,097	863
\$30,000 - \$60,000	6,258	5,165	5,061	4,840
More than \$60,000	4,671	4,325	4,280	4,108
Total	13,117	10,633	10,438	9,811

Rural county sales and use tax deferral (continued)

Innovations and evidence

Employment size of participant	New products or processes	New research projects	Patents	Copyrights	Trademarks
Less than 50	1	0	0	0	10
50 to 250	18	30	1	0	6
More than 250	145	427	37	0	15
Total	164	457	38	0	31

Veteran employer B&O tax credit

Businesses that employ an 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 percent of the wages and benefits the business paid for the qualified employee. The credit cannot exceed \$1,500 per qualified employee. Statewide, the credit may not exceed \$500,000 per fiscal year. Businesses receive credits on a first-in-time basis. (RCW 82.04.4498)

Incentive amount by participant size

Employment size of participant	Incentive claimed	Facilities
Less than 10	8	\$6,214
10 or more	8	\$8,215
Total	16	\$14,430

Job status

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 10	41	86.8	13.2	0.0
10 or more	292	69.1	30.9	0.0
Total	333	71.3	28.7	0.0

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	198	16	16	5
\$30,000 - \$60,000	99	61	56	26
More than \$60,000	36	27	28	20
Total	333	104	100	51

Tribal property tax exemption for economic development

Federally recognized Indian tribes receive a property tax exemption for property used in economic development. Only tribal property owned prior to March 1, 2014, qualifies for this exemption. The exemption expires January 1, 2022. (RCW 84.36.010)

Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
600 or more	3	\$1,003,881
Total	3	\$1,003,881

Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
600 or more	8,867	86.0	8.8	5.2
Total	8,867	86.0	8.8	5.2

Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	3,498	1,704	1,708	1,637
\$30,000 - \$60,000	3,775	3,642	3,644	3,233
More than \$60,000	1,594	1,570	1,575	1,538
Total	8,867	6,916	6,927	6,408

Chapter 7 - Incentives Requiring an Annual Report

Aerospace manufacturing

Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes qualify for a reduced B&O tax rate of 0.2904 percent. Businesses receiving the reduced B&O tax rate are required to file an annual survey and report. (RCW 82.04.260 (11a))

Number of participants	350
Number of temporary staffing	2,428

Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage*
Management	8,189	8.9
Business, financial, and legal operations	6,538	7.1
Computer, mathematical, architecture, & engineering	20,082	21.8
Life, physical, and social science	203	0.2
Community and social services	0	0.0
Education, training, and library	224	0.2
Healthcare practitioners, technical, and support	124	0.1
Protective services, building, and grounds maintenance	1,182	1.3
Sales and service	944	1.0
Office and administrative support	5,127	5.6
Construction and extraction	121	0.1
Installation, maintenance, and repair	3,761	4.1
Production, non-construction trades, and craft	38,514	41.8
Transportation and material moving	1,650	1.8
Other (forest, fishery, agriculture, military, arts, media)	5,447	5.9
Total	92,106	100.0

* The total percentages do not total 100% due to rounding.

Aerospace manufacturing (continued)

Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & Over (%)
Management	0.1	0.2	0.3	1.9	97.5
Business, financial, and legal operations	0.0	0.1	0.9	7.5	91.5
Computer, mathematical, architecture, & engineering	0.0	0.0	0.4	2.6	97.0
Life, physical, and social science	0.0	0.0	0.0	3.0	97.0
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	0.0	2.6	3.6	0.9	92.9
Healthcare practitioners, technical, and support	0.0	0.0	2.6	26.6	70.8
Protective services, building, and grounds maintenance*	0.0	11.3	18.2	8.6	61.8
Sales and service	0.0	0.4	3.7	20.7	75.2
Office and administrative support	0.0	2.4	9.6	31.8	56.2
Construction and extraction*	0.0	0.0	12.4	11.6	76.1
Installation, maintenance, and repair	1.3	1.6	3.0	15.9	78.2
Production, non-construction trades, and craft*	0.0	7.2	18.4	25.5	49.0
Transportation and material moving	0.0	4.5	12.5	17.9	65.1
Other (forest, fishery, agriculture, military, arts, media)*	0.0	0.3	0.0	2.0	97.6
Total (Count)	56	3,203	8,343	13,971	66,533
Total (%)*	0.1	3.5	9.1	15.2	72.2

* The total percentage for the employment status may not total 100% due to rounding.

Percent of employees by employment status

Employment status	Percentage
Full-time	99.1
Part-time	0.4
Temporary	0.5

Percent of employees receiving benefits

Benefit type	Percentage
Medical	98.3
Retirement	96.0

Aerospace FAR Part 145 repair station

Federal Aviation Regulation Part 145 repair stations operating in Washington are eligible for two incentives. The first incentive is a retail sales and use tax exemption on purchases of computer hardware, software, and peripherals used primarily in developing, designing, providing, and engineering aerospace products and services. The second incentive is a reduced B&O tax rate of 0.2904 percent on retail sales of personal property for use in aircraft utilized in interstate or foreign commerce. Businesses reporting under these incentives must file an annual survey and report. (RCW 82.04.250, 82.08.975 and 82.12.975)

Number of participants	35
Number of temporary staffing	596

Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage*
Management	459	9.4
Business, financial, and legal operations	211	4.3
Computer, mathematical, architecture, & engineering	1,148	23.6
Life, physical, and social science	0	0.0
Community and social services	0	0.0
Education, training, and library	4	0.1
Healthcare practitioners, technical, and support	0	0.0
Protective services, building, and grounds maintenance	19	0.4
Sales and service	104	2.1
Office and administrative support	337	6.9
Construction and extraction	0	0.0
Installation, maintenance, and repair	1,089	22.4
Production, non-construction trades, and craft	1,394	28.7
Transportation and material moving	91	1.9
Other (forest, fishery, agriculture, military, arts, media)	5	0.1
Total	4,861	100.0

* The total percentages do not total 100% due to rounding.

Aerospace FAR Part 145 repair station (continued)

Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management	0.0	0.2	0.0	1.5	98.3
Business, financial, and legal operations*	0.0	0.0	10.1	31.3	58.7
Computer, mathematical, architecture, & engineering*	0.0	0.1	0.5	9.4	89.9
Life, physical, and social science	0.0	0.0	0.0	0.0	0.0
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	0.0	0.0	25.0	25.0	50.0
Healthcare practitioners, technical, and support	0.0	0.0	0.0	0.0	0.0
Protective services, building, and grounds maintenance	0.0	0.0	5.3	47.6	47.2
Sales and service*	0.0	1.0	4.5	21.4	73.2
Office and administrative support	0.0	4.0	27.7	40.7	27.6
Construction and extraction	0.0	0.0	0.0	0.0	0.0
Installation, maintenance, and repair*	0.0	10.3	22.6	44.6	22.4
Production, non-construction trades, and craft	0.0	14.8	34.7	36.4	14.1
Transportation and material moving	0.0	11.2	31.9	38.4	18.5
Other (forest, fishery, agriculture, military, arts, media)	0.0	0.0	0.0	19.8	80.2
Total (Count)	0	345	887	1,381	2,249
Total (%)	0.0	7.1	18.2	28.4	46.3

* The total percentage for the employment status may not total 100% due to rounding.

Percent of employees by employment status

Employment status	Percentage
Full-time	98.3
Part-time	0.3
Temporary	1.4

Percent of employees receiving benefits

Benefit type	Percentage
Medical	96.2
Retirement	95.5

Aerospace non-manufacturing

Non-manufacturers that perform aerospace product development in Washington are eligible for a retail sales and use tax exemption on purchases of computer hardware, peripherals, and software used primarily in the development, design, and engineering of aerospace products or providing aerospace services. Additionally, non-manufacturers performing aerospace product development for others are eligible for a preferential B&O tax rate of 0.9 percent. This exemption expires July 1, 2040. (RCW 82.04.290(3) 82.08.975, 82.12.975)

Number of participants	127
Number of temporary staffing	516

Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage*
Management	496	11.1
Business, financial, and legal operations	145	3.2
Computer, mathematical, architecture, & engineering	2,047	45.7
Life, physical, and social science	2	0.0
Community and social services	0	0.0
Education, training, and library	0	0.0
Healthcare practitioners, technical, and support	84	1.9
Protective services, building, and grounds maintenance	14	0.3
Sales and service	58	1.3
Office and administrative support	279	6.2
Construction and extraction	0	0.0
Installation, maintenance, and repair	748	16.7
Production, non-construction trades, and craft	496	11.1
Transportation and material moving	107	2.4
Other (forest, fishery, agriculture, military, arts, media)	2	0.0
Total	4,478	100.0

* The total percentages do not total 100% due to rounding.

Aerospace non-manufacturing (continued)

Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management*	0.4	0.0	0.4	1.0	98.2
Business, financial, and legal operations	0.0	0.0	5.5	41.0	53.5
Computer, mathematical, architecture, & engineering	0.0	0.2	0.6	6.4	92.8
Life, physical, and social science	0.0	0.0	100.0	0.0	0.0
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	0.0	0.0	0.0	0.0	0.0
Healthcare practitioners, technical, and support	0.0	0.0	0.0	32.0	68.0
Protective services, building, and grounds maintenance	0.0	0.0	14.3	36.0	49.7
Sales and service	0.0	0.0	0.0	19.9	80.1
Office and administrative support	0.4	4.5	13.6	41.1	40.4
Construction and extraction	0.0	0.0	0.0	0.0	0.0
Installation, maintenance, and repair	6.4	14.0	15.6	38.1	25.9
Production, non-construction trades, and craft	0.0	2.4	40.8	42.7	14.1
Transportation and material moving	0.0	11.4	39.7	35.9	13.0
Other (forest, fishery, agriculture, military, arts, media)	0.0	0.0	0.0	0.0	100.0
Total (Count)	51	145	425	889	2,968
Total (%)*	1.1	3.2	9.5	19.8	66.3

* The total percentage for the employment status may not total 100% due to rounding.

Percent of employees by employment status

Employment status	Percentage
Full-time	94.1
Part-time	1.5
Temporary	4.4

Percent of employees receiving benefits

Benefit type	Percentage
Medical	93.9
Retirement	90.8

Newspaper industry

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 percent until July 1, 2024, at which time the rate increases to 0.484 percent.

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))

Number of participants	90
Number of temporary staffing	1,447

Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage
Management	785	3.0
Business, financial, and legal operations	76	0.3
Computer, mathematical, architecture, & engineering	103	0.4
Life, physical, and social science	0	0.0
Community and social services	0	0.0
Education, training, and library	1	0.0
Healthcare practitioners, technical, and support	974	3.7
Protective services, building, and grounds maintenance	28	0.1
Sales and service	14,669	56.1
Office and administrative support	2,462	9.4
Construction and extraction	3	0.0
Installation, maintenance, and repair	83	0.3
Production, non-construction trades, and craft	2,326	8.9
Transportation and material moving	4,070	15.6
Other (forest, fishery, agriculture, military, arts, media)	578	2.2
Total	26,158	100.0

Newspaper industry (continued)

Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management	0.1	0.9	3.5	16.4	79.1
Business, financial, and legal operations*	0.0	10.8	28.5	32.7	28.1
Computer, mathematical, architecture, & engineering*	0.0	3.4	22.3	26.4	47.9
Life, physical, and social science	0.0	0.0	0.0	0.0	0.0
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	0.0	0.0	100.0	0.0	0.0
Healthcare practitioners, technical, and support*	0.0	14.7	19.2	33.6	32.4
Protective services, building, and grounds maintenance	0.0	14.3	10.7	71.4	3.6
Sales and service	0.0	51.0	23.0	25.1	0.9
Office and administrative support*	0.6	36.7	26.3	34.1	2.2
Construction and extraction	0.0	0.0	0.0	66.7	33.3
Installation, maintenance, and repair	0.0	3.6	1.2	45.8	49.4
Production, non-construction trades, and craft	2.2	35.5	31.5	29.2	1.6
Transportation and material moving	0.2	71.7	3.8	23.4	0.9
Other (forest, fishery, agriculture, military, arts, media)	0.2	18.3	18.2	32.1	31.2
Total (Count)	81	12,411	5,271	6,911	1,484
Total (%)	0.3	47.4	20.2	26.4	5.7

* The total percentage for the employment status may not total 100% due to rounding.

Percent of employees by employment status

Employment status	Percentage
Full-time	29.6
Part-time	70.1
Temporary	0.3

Percent of employees receiving benefits

Benefit type	Percentage
Medical	96.1
Retirement	97.1

Data center sales and use tax exemption

A sale and use tax exemption on qualified purchases of eligible server equipment and eligible power infrastructure exists for data centers in a rural county. The exemption includes charges for labor and services to install the equipment and power infrastructure. (RCW 82.08.986, 82.12.986)

Number of participants	18
Number of temporary staffing	1,182

Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage
Management	6,491	8.6
Business, financial, and legal operations	6,383	8.4
Computer, mathematical, architecture, & engineering	16,921	22.4
Life, physical, and social science	185	0.2
Community and social services	41	0.1
Education, training, and library	203	0.3
Healthcare practitioners, technical, and support	98	0.1
Protective services, building, and grounds maintenance	1,079	1.4
Sales and service	5,585	7.4
Office and administrative support	3,122	4.1
Construction and extraction	117	0.2
Installation, maintenance, and repair	3,794	5.0
Production, non-construction trades, and craft	23,221	30.7
Transportation and material moving	2,896	3.8
Other (forest, fishery, agriculture, military, arts, media)	5,414	7.2
Total	75,550	100.0

* The total percentages do not total 100% due to rounding.

Data center sales and use tax exemption (continued)

Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & Over (%)
Management*	0.0	0.0	0.3	1.0	98.6
Business, financial, and legal operations*	0.0	0.2	0.6	6.6	92.7
Computer, mathematical, architecture, & engineering	0.0	0.1	0.3	0.6	99.0
Life, physical, and social science	0.0	0.0	0.0	1.1	98.9
Community and social services	0.0	0.0	0.0	12.0	88.0
Education, training, and library	0.0	0.0	0.0	0.0	100.0
Healthcare practitioners, technical, and support	0.0	0.0	0.0	20.4	79.6
Protective services, building, and grounds maintenance	0.0	11.0	16.2	6.6	66.2
Sales and service	0.0	18.8	10.3	28.2	42.7
Office and administrative support*	0.1	0.5	1.4	25.4	72.5
Construction and extraction	0.0	0.0	12.8	11.1	76.1
Installation, maintenance, and repair*	0.0	0.9	1.2	7.1	90.8
Production, non-construction trades, and craft	0.0	0.7	7.7	16.6	75.0
Transportation and material moving*	0.0	0.0	0.7	7.4	91.8
Other (forest, fishery, agriculture, military, arts, media)	0.0	0.0	0.0	1.9	98.1
Total (Count)	11	1,398	2,773	7,502	63,866
Total (%)	0.0	1.9	3.7	9.9	84.5

* The total percentage for the employment status may not total 100% due to rounding.

Percent of employees by employment status

Employment status	Percentage
Full-time	99.1
Part-time	0.8
Temporary	0.1

Percent of employees receiving benefits

Benefit type	Percentage
Medical	99.9
Retirement	99.9

Government-funded mental health services deduction

Nonprofit health or social welfare organizations receive a B&O tax deduction for providing mental health or chemical dependency services under a government-funded program. The same deduction applies to regional support networks for amounts received by the state for distribution to health or social welfare organizations that qualify for the deduction. (RCW 82.04.4277)

Number of participants	19
Number of temporary staffing	56

Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage*
Management	347	9.6
Business, financial, and legal operations	313	8.6
Computer, mathematical, architecture, & engineering	167	4.6
Life, physical, and social science	22	0.6
Community and social services	1,399	38.7
Education, training, and library	4	0.1
Healthcare practitioners, technical, and support	641	17.7
Protective services, building, and grounds maintenance	9	0.2
Sales and service	77	2.1
Office and administrative support	581	16.1
Construction and extraction	0	0.0
Installation, maintenance, and repair	26	0.7
Production, non-construction trades, and craft	0	0.0
Transportation and material moving	0	0.0
Other (forest, fishery, agriculture, military, arts, media)	33	0.9
Total	3,619	100.0

* The total percentages do not total 100% due to rounding.

Government funded mental health services deduction (continued)

Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management*	0.0	0.0	2.1	10.0	87.9
Business, financial, and legal operations	0.0	0.0	4.8	26.8	68.4
Computer, mathematical, architecture, & engineering	0.0	0.0	3.0	18.6	78.4
Life, physical, and social science*	0.0	0.0	0.0	4.5	90.9
Community and social services	0.0	8.0	43.7	37.0	11.3
Education, training, and library	0.0	0.0	0.0	100.0	0.0
Healthcare practitioners, technical, and support*	0.0	7.2	11.5	23.6	57.6
Protective services, building, and grounds maintenance	0.0	56.0	44.0	0.0	0.0
Sales and service	0.0	0.0	1.3	10.4	88.3
Office and administrative support*	0.0	3.5	26.5	36.0	33.9
Construction and extraction	0.0	0.0	0.0	0.0	0.0
Installation, maintenance, and repair	0.0	7.7	65.5	19.1	7.7
Production, non-construction trades, and craft	0.0	0.0	0.0	0.0	0.0
Transportation and material moving	0.0	0.0	0.0	0.0	0.0
Other (forest, fishery, agriculture, military, arts, media)	15.3	48.8	8.8	11.9	15.2
Total (Count)	5	202	891	1,050	1,470
Total (%)	0.1	5.6	24.6	29.0	40.6

*The total percentage for the employment status may not total 100% due to rounding.

Percent of employees by employment status

Employment status	Percentage
Full-time	82.4
Part-time	15.7
Temporary	1.9

Percent of employees receiving benefits

Benefit type	Percentage
Medical	52.2
Retirement	49.2

Appendix: Filing Requirements

Information Required

The law requires two different types of accountability tools. The first is the annual survey. Participants in the survey incentive programs provide the following information for the survey year:

- The amount of tax preference claimed;
- The participant's number of employment positions (full-time, part-time, or temporary);
- The number of employment positions by specified wage bands; and
- The number of employment positions with medical, dental and retirement benefits.

In addition, participants utilizing the sales and use tax deferral for investments in rural or qualifying counties or high technology participants must provide the number of new products or research projects developed and the number of new patents, copyrights, and trademarks associated with the facility.

The second accountability tool is the annual report. The tax benefit amount is not required; however, participants required to file an annual report must provide information on the following for the report year:

- Employment by wage bands and occupation;
- The number of employment positions (full-time, part-time, or temporary); and
- The number of employment positions with medical and retirement benefits.

List of incentives that require an annual survey and/or report.

Incentive type

Required form

Business and occupation (B&O) tax rate reduction

Aerospace Federal Aviation Regulation (FAR) Part 145 repair stations	Survey and report
Aerospace manufacturers	Survey and report
Aerospace product development	Survey and report
Aluminum Smelters	Survey and report
Newspaper publishers and/or printers	Report
Semiconductor material manufacturers and processors for hire	Report
Solar energy systems manufacturers and wholesalers	Survey
Timber and wood products	Survey

B&O or Public utility tax (PUT) exemptions or deductions

Dairy products manufacturers	Survey
Electrolytic processing businesses	Report
Fruit and vegetable processors	Survey
Government funded mental health services	Report
Seafood processors	Survey

Incentive type (continued)

Required form

B&O or PUT credits

Aerospace preproduction expenditures	Survey and report
Aerospace product development spending	Report
Aerospace property and leasehold taxes	Survey and report
Aluminum smelters property tax	Survey and report
Aluminum smelters sales and use tax	Survey and report
Customized employment training	Survey
Renewable energy light and power business PUT credit	Survey
Veteran employer B&O or PUT credit	Survey

Sales and use tax deferrals

Agricultural industry	Survey
Biotechnology	Survey
Corporate headquarters in a community empowerment zone	Survey
High technology	Survey
High unemployment county	Survey
Manufacturer's site	Survey
Rural county	Survey

Sales and use tax exemptions

Aerospace computer, software and peripherals	Survey and report
Aerospace FAR Part 145 repair station	Survey and report
Aerospace manufacturing site	Survey and report
Data Center	Survey and report
Hog Fuel (by facility)	Survey
Public research university machinery and equipment	Survey
Renewable energy equipment (by facility)	Survey
Semiconductor	Survey and report
Solar energy systems manufacturers or processors	Survey

Other incentives

Aerospace leasehold tax exemption for superefficient airplane manufacturers	Survey and report
Aerospace personal property tax exemption for superefficient airplane manufacturers	Survey and report
Agricultural crop protection products hazardous substance tax exemption	Survey
Aluminum smelter use tax exemption for compressed/liquefied natural gas	Survey and report
Tribal property tax exemption for economic development	Survey