
HOUSE BILL 2565

State of Washington 59th Legislature 2006 Regular Session

By Representatives Kilmer, Haler, Wallace, Strow, Clibborn, Morrell, McCoy, Appleton, Ericks, Linville, Simpson, Green and Springer

Read first time 01/10/2006. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to a worker training business and occupation tax
2 credit; amending RCW 82.04.4333; providing an effective date; and
3 providing an expiration date.

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

5 **Sec. 1.** RCW 82.04.4333 and 1996 c 1 s 4 are each amended to read
6 as follows:

7 (1) ~~((There may be credited against the tax imposed by this~~
8 ~~chapter, the value of state approved, employer provided or sponsored~~
9 ~~job training services designed to enhance the job related performance~~
10 ~~of employees, for those businesses eligible for a tax deferral under~~
11 ~~chapter 82.60 RCW.)) In computing the tax imposed under this chapter,~~
12 a credit is allowed for the fifty percent of the value of qualified
13 worker training expenses incurred by a qualified employer.

14 (2) The value of the ~~((state approved, job training services))~~
15 qualified worker training expenses provided by the qualified employer
16 to ~~((the))~~ a new or existing employee, without charge, shall be
17 determined by the allocation of the cost method using generally
18 accepted accounting standards.

1 ~~(3) ((The credit allowed under this section shall be limited to an~~
2 ~~amount equal to twenty percent of the value of the state approved, job~~
3 ~~training services determined under subsection (2) of this section.))~~
4 The total credits allowed under this section for a ~~((business))~~
5 qualified employer shall not exceed ~~((five))~~ the lesser of ten thousand
6 dollars per calendar year or the amount of tax otherwise due under this
7 chapter for the calendar year. Credits may not be carried over to
8 subsequent calendar years. No refunds may be granted for any unused
9 credits. Credits may not be approved on training expenses incurred
10 prior to January 1, 2007. Approved credits must be taken for taxes due
11 for the calendar year following the calendar year in which the
12 qualified expenses were incurred.

13 (4)(a) Prior to claiming the credit under this section, the
14 ~~((business))~~ qualified employer must obtain approval of the proposed
15 ~~((job training service))~~ worker training expenses from the employment
16 security department. The employer's request for approval must include
17 a description of the proposed ~~((job))~~ worker training service, how the
18 ~~((job))~~ worker training will enhance the employee's performance, and
19 the cost of the proposed ~~((job))~~ worker training.

20 (b) To claim a credit under this chapter, a person must
21 electronically file with the department all returns, forms, and other
22 information the department requires in an electronic format as provided
23 or approved by the department. Any return, form, or information
24 required to be filed in an electronic format under this section is not
25 filed until received by the department in an electronic format. As
26 used in this section, "returns" has the same meaning as "return" in RCW
27 82.32.050.

28 (5) ~~((This section only applies to training in respect to eligible~~
29 ~~business projects for which an application is approved on or after~~
30 ~~January 1, 1996.))~~ For the purposes of this section:

31 (a) "Qualified employer" means an independently owned and operated
32 business located in Washington with less than fifty employees
33 worldwide.

34 (b) "Qualified worker training" means instruction to enhance an
35 employee's job-related performance through: (i) A course or program at
36 an institution of higher education as defined in RCW 28B.10.016 or a
37 private vocational school licensed under RCW 28C.10.060; (ii) a
38 private, nonprofit educational institution, the main campus of which is

1 permanently situated in the state, which is open to residents of the
2 state, which neither restricts entry on racial or religious grounds,
3 which provides programs beyond high school leading to at least the
4 baccalaureate degree, and which is accredited by the Northwest
5 association of schools and colleges or by an accrediting association
6 recognized by the higher education coordinating board; (iii) training
7 provided by Washington manufacturing services; or (iv) for employers
8 with less than ten employees, training provided by the employer on
9 premises the value of which shall be determined according to subsection
10 (2) of this section.

11 (6) The joint legislative audit and review committee, with the
12 cooperation with the department of revenue, the state board for
13 community and technical colleges, the work force training and education
14 coordinating board, and the higher education coordinating board, shall
15 report on the impact of subsection (1) of this section to the
16 appropriate committees of the legislature by December 1, 2014. The
17 report must include:

- 18 (a) The number of people receiving qualified worker training;
- 19 (b) The average cost of the qualified worker training;
- 20 (c) The cost of the program administration;
- 21 (d) The type of qualified worker training received, including the
22 average length of training;

23 (e) The number of qualified employers utilizing the credit by firm
24 size:

- 25 (i) Under five employees;
 - 26 (ii) Five to ten employees;
 - 27 (iii) Eleven to twenty-five employees; and
 - 28 (iv) Twenty-six to forty-nine employees.
- 29 (7) This section expires December 31, 2016.

30 NEW SECTION. Sec. 2. This act takes effect January 1, 2007.

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