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SENATE BILL 6057

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State of Washington

63rd Legislature

2014 Regular Session

By Senators Brown, Chase, Rivers, King, Angel, Bailey, Becker, Honeyford, Conway, Hatfield, Kline, and Roach

Read first time 01/15/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to tax credits for hiring individuals with  
2 developmental disabilities; adding a new section to chapter 82.04 RCW;  
3 and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW  
6 to read as follows:

7 (1)(a) In computing the tax imposed under this chapter, a person is  
8 allowed a credit against the tax due. The credit is equal to one  
9 thousand dollars per fiscal year for each full-time employment position  
10 filled by an individual with a developmental disability after the  
11 effective date of this section. A credit is earned for the fiscal year  
12 the person is hired to fill the position. Additionally, a credit is  
13 earned for each fiscal year the position is continuously maintained  
14 over the subsequent consecutive fiscal years. If a position is filled  
15 before January 1st, this position is eligible for the full yearly  
16 credit. If it is filled after December 31st, this position is eligible  
17 for half of the credit.

18 (b) Credits are available on a first-in-time basis. The department  
19 must maintain a running total of all credits claimed under this section

1 during each fiscal year. The department may not allow any credit, or  
2 portion thereof, which would cause the total amount of credit claimed  
3 under this section to exceed two million dollars in any fiscal year.  
4 The department must provide written notice to any person who has  
5 claimed tax credits in excess of the two million dollar limitation in  
6 this subsection. The notice must indicate the amount of tax due and  
7 provide that the tax be paid within thirty days from the date of such  
8 notice. The notice must also advise the person that the unused credit  
9 can be claimed in the next fiscal year, subject to the two million  
10 dollar limit. The department may not assess penalties and interest as  
11 provided in chapter 82.32 RCW on the amount due in the initial notice,  
12 if the amount due is paid by the due date specified in the notice, or  
13 any extension thereof.

14 (c) A person may claim the credit under this section only against  
15 taxes originally due and reported to the department on or after the  
16 date that the employment position is filled. The amount of credit  
17 claimed for a reporting period may not exceed the tax otherwise due  
18 under this chapter for that reporting period. Persons unable to claim  
19 their credit, or any portion thereof, in the fiscal year for which the  
20 credit was earned may carry the unused credit over to subsequent fiscal  
21 years until used. However, the carryover into subsequent fiscal years  
22 is only permitted to the extent that the two million dollar limit for  
23 any fiscal year is not exceeded. No refunds may be granted for credits  
24 under this section.

25 (d) No application is necessary to claim the tax credit.

26 (e) To claim a credit under this section, a person must  
27 electronically file with the department all returns, forms, and any  
28 other information required by the department, in an electronic format  
29 as provided or approved by the department. Any return, form, or  
30 information required to be filed in an electronic format under this  
31 section is not filed until received by the department in an electronic  
32 format. As used in this subsection, "return" has the same meaning as  
33 "return" in RCW 82.32.050.

34 (f) If the position filled by an individual with a developmental  
35 disability is not full time, the credit in (a) of this subsection must  
36 be ratably reduced.

37 (g) Credit is authorized only for employees hired for full-time  
38 employment positions where the hiring takes place on or after July 1,

1 2014. Full-time employment positions filled by existing employees are  
2 eligible for the credit under this section only if the position vacated  
3 by the existing employee is filled by a new hire, and both the existing  
4 employee and the new hire are individuals with a developmental  
5 disability.

6 (h) A person may not claim the credit under this section if the  
7 person has claimed a credit against the tax due under this chapter,  
8 under any other provision of law, with respect to the same employment  
9 position.

10 (2) If at any time the department finds that a person is not  
11 eligible for the tax credit under this section for any reason, the  
12 amount of taxes for which a credit has been claimed for which the  
13 person was not eligible for the credit is immediately due. The  
14 department must assess interest, but not penalties, on the taxes for  
15 which the person is not eligible. The interest must be assessed at the  
16 rate provided for delinquent excise taxes under chapter 82.32 RCW,  
17 assessed retroactively to the date the tax credit was claimed, and must  
18 accrue until the taxes for which a credit has been used are repaid.

19 (3) The definitions in this subsection apply throughout this  
20 section.

21 (a) "Fiscal year" means the twelve-month period beginning July 1st  
22 and ending the following June 30th.

23 (b) "Full-time" means at least thirty-five hours a week, four  
24 hundred fifty-five hours a quarter, or one thousand eight hundred  
25 twenty hours a year.

26 (c) "Full-time employment position" means a permanent full-time  
27 employee, who is employed for at least twelve consecutive months. Once  
28 a permanent full-time employee has been hired, a position does not  
29 cease to be a full-time employment position solely due to periods in  
30 which the position goes vacant, as long as:

31 (i) The cumulative period of any vacancies in that position is not  
32 more than one hundred twenty days in the fiscal year;

33 (ii) During a vacancy, the employer is training or actively  
34 recruiting a replacement; and

35 (iii) The vacancy is filled by a permanent full-time employee who  
36 is an individual with a developmental disability.

37 (d) "Individual with a developmental disability" means an

1 individual with a developmental disability as defined in RCW  
2 71A.10.020.

3 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2014.

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