
SENATE BILL 5486

State of Washington 60th Legislature 2007 Regular Session

By Senators Shin, Pflug, Zarelli, Berkey, Morton, Kilmer, Schoesler, Hatfield, Swecker, Delvin, Brandland, Sheldon, Jacobsen, Benton, Parlette and Rasmussen

Read first time 01/22/2007. Referred to Committee on Higher Education.

1 AN ACT Relating to tax credits for employers employing student
2 employees enrolled in qualified technical programs at Washington
3 institutions of higher education; adding a new section to chapter 82.04
4 RCW; and adding a new section to chapter 82.16 RCW.

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

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

8 (1) Subject to the limits in this section, a credit is authorized
9 against the tax otherwise due under this chapter for persons that
10 employ one or more students enrolled in a qualified technical program
11 at an institution of higher education.

12 (2) To qualify for the credit, the following additional conditions
13 must be met:

14 (a) The student employee must be a junior, senior, or graduate
15 student, in the qualified technical program.

16 (b) The qualified technical program must be a program that provides
17 academic training that relates to the person's business employment
18 needs.

1 (c) The student employee must be receiving educational credit by
2 the institution of higher education for the employment.

3 (3) The amount of authorized tax credit for persons receiving
4 credit under this section must be equal to one hundred percent of the
5 gross wages paid to the student employee.

6 (4) No application is necessary for the tax credit. The person
7 must keep records necessary for the department to verify eligibility
8 under this section, including enrollment documentation that clearly
9 indicates that the student is enrolled as a junior, senior, or graduate
10 student in a qualified technical program at an institution of higher
11 education and is receiving educational credit by the institution for
12 the employment.

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

21 (6) The credit under this section may be used against any tax due
22 under this chapter, and credit earned during one calendar year may be
23 carried over to be credited against taxes incurred in a subsequent
24 calendar year. No refunds may be granted for credits under this
25 section that are in excess of taxes due and payable for the reporting
26 period. A person shall not take credit under this section in excess of
27 one thousand dollars per qualifying student during any calendar year.
28 A credit is not earned for the purposes of the carry-over provisions of
29 this subsection for wages that would otherwise qualify for the credit,
30 but exceed this one thousand dollar limitation.

31 (7) A person taking credit under this section shall not take credit
32 under section 2 of this act.

33 (8) As used in this section, the following definitions apply:

34 (a) "Institution of higher education" means the state universities,
35 the regional universities, The Evergreen State College, community
36 colleges, technical colleges, and private postsecondary institutions
37 located in the state of Washington, that provide undergraduate or
38 graduate programs of study.

1 (b) "Qualified technical program" means a program of study that
2 will provide the student employee with an undergraduate or graduate
3 degree in mathematics, science, health science, engineering, or
4 computer technology.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.16 RCW
6 to read as follows:

7 (1) A credit is authorized against the tax otherwise due under this
8 chapter for persons that employ one or more students enrolled in a
9 qualified technical program at an institution of higher education.

10 (2) The provisions for the credit authorized in section 1 of this
11 act apply to this section.

12 (3) A person taking credit under this section may not take credit
13 under section 1 of this act.

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