
SENATE BILL 6319

State of Washington

60th Legislature

2008 Regular Session

By Senators Kilmer, King, Kastama, McAuliffe, and Rasmussen

Read first time 01/15/08. Referred to Committee on Economic Development, Trade & Management.

1 AN ACT Relating to extending the application deadlines for sales
2 and use tax deferral programs; amending RCW 82.60.030, 82.63.020,
3 82.74.020, and 82.75.020; and providing an expiration date.

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

5 **Sec. 1.** RCW 82.60.030 and 1994 sp.s. c 1 s 2 are each amended to
6 read as follows:

7 Application for deferral of taxes under this chapter must be made
8 ((before)) no more than sixty days after initiation of the construction
9 of the investment project or acquisition of equipment or machinery.
10 The application shall be made to the department in a form and manner
11 prescribed by the department. The application shall contain
12 information regarding the location of the investment project, the
13 applicant's average employment in the state for the prior year,
14 estimated or actual new employment related to the project, estimated or
15 actual wages of employees related to the project, estimated or actual
16 costs, time schedules for completion and operation, and other
17 information required by the department. The department shall rule on
18 the application within sixty days.

1 **Sec. 2.** RCW 82.63.020 and 2004 c 2 s 4 are each amended to read as
2 follows:

3 (1) Application for deferral of taxes under this chapter must be
4 made (~~before~~) no more than sixty days after initiation of
5 construction of, or acquisition of equipment or machinery for the
6 investment project. The application shall be made to the department in
7 a form and manner prescribed by the department. The application shall
8 contain information regarding the location of the investment project,
9 the applicant's average employment in the state for the prior year,
10 estimated or actual new employment related to the project, estimated or
11 actual wages of employees related to the project, estimated or actual
12 costs, time schedules for completion and operation, and other
13 information required by the department. The department shall rule on
14 the application within sixty days.

15 (2)(a) The legislature finds that accountability and effectiveness
16 are important aspects of setting tax policy. In order to make policy
17 choices regarding the best use of limited state resources the
18 legislature needs information on how a tax incentive is used.

19 (b) Applicants for deferral of taxes under this chapter shall agree
20 to complete an annual survey. If the economic benefits of the deferral
21 are passed to a lessee as provided in RCW 82.63.010(7), the lessee
22 shall agree to complete the annual survey and the applicant is not
23 required to complete the annual survey. The survey is due by March
24 31st of the year following the calendar year in which the investment
25 project is certified by the department as having been operationally
26 complete and the seven succeeding calendar years. The survey shall
27 include the amount of tax deferred, the number of new products or
28 research projects by general classification, and the number of
29 trademarks, patents, and copyrights associated with activities at the
30 investment project. The survey shall also include the following
31 information for employment positions in Washington:

32 (i) The number of total employment positions;

33 (ii) Full-time, part-time, and temporary employment positions as a
34 percent of total employment;

35 (iii) The number of employment positions according to the following
36 wage bands: Less than thirty thousand dollars; thirty thousand dollars
37 or greater, but less than sixty thousand dollars; and sixty thousand

1 dollars or greater. A wage band containing fewer than three
2 individuals may be combined with another wage band; and

3 (iv) The number of employment positions that have employer-provided
4 medical, dental, and retirement benefits, by each of the wage bands.

5 (c) The department may request additional information necessary to
6 measure the results of the deferral program, to be submitted at the
7 same time as the survey.

8 (d) All information collected under this subsection, except the
9 amount of the tax deferral taken, is deemed taxpayer information under
10 RCW 82.32.330 and is not disclosable. Information on the amount of tax
11 deferral taken is not subject to the confidentiality provisions of RCW
12 82.32.330 and may be disclosed to the public upon request.

13 (3) The department shall use the information from this section to
14 prepare summary descriptive statistics by category. No fewer than
15 three taxpayers shall be included in any category. The department
16 shall report these statistics to the legislature each year by September
17 1st.

18 (4) The department shall use the information to study the tax
19 deferral program authorized under this chapter. The department shall
20 report to the legislature by December 1, 2009, and December 1, 2013.
21 The reports shall measure the effect of the program on job creation,
22 the number of jobs created for Washington residents, company growth,
23 the introduction of new products, the diversification of the state's
24 economy, growth in research and development investment, the movement of
25 firms or the consolidation of firms' operations into the state, and
26 such other factors as the department selects.

27 **Sec. 3.** RCW 82.74.020 and 2005 c 513 s 5 are each amended to read
28 as follows:

29 (1) Application for deferral of taxes under this chapter must be
30 made (~~before~~) no more than sixty days after initiation of the
31 construction of the investment project or acquisition of equipment or
32 machinery. The application shall be made to the department in a form
33 and manner prescribed by the department. The application shall contain
34 information regarding the location of the investment project, the
35 applicant's average employment in the state for the prior year,
36 estimated or actual new employment related to the project, estimated or

1 actual wages of employees related to the project, estimated or actual
2 costs, time schedules for completion and operation, and other
3 information required by the department.

4 (2) The department shall rule on the application within sixty days.
5 The department shall keep a running total of all deferrals granted
6 under this chapter during each fiscal biennium.

7 (3) No application may be made under this chapter for a project for
8 which a refund is requested under RCW 82.08.820 or 82.12.820.

9 **Sec. 4.** RCW 82.75.020 and 2006 c 178 s 3 are each amended to read
10 as follows:

11 Application for deferral of taxes under this chapter must be made
12 and approved (~~before~~) no more than sixty days after initiation of the
13 construction of the investment project or acquisition of equipment or
14 machinery. The application shall be made to the department in a form
15 and manner prescribed by the department. The application shall contain
16 information regarding the location of the investment project, the
17 applicant's average employment in the state for the prior year,
18 estimated or actual new employment related to the project, estimated or
19 actual wages of employees related to the project, estimated or actual
20 costs, time schedules for completion and operation, and other
21 information required by the department. The department shall rule on
22 the application within sixty days.

23 NEW SECTION. **Sec. 5.** Section 1 of this act expires July 1, 2010.

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