
SENATE BILL 6866

State of Washington

60th Legislature

2008 Regular Session

By Senators Delvin and Hewitt

Read first time 01/29/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to a business and occupation tax credit for
2 qualified preproduction development expenditures for polysilicon
3 manufacturers; adding a new section to chapter 82.04 RCW; and creating
4 a new section.

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)(a) In computing the tax imposed under this chapter, a credit is
9 allowed for each person for qualified preproduction development
10 expenditures occurring after January 1, 2008.

11 (b) Any credits earned under this section must be accrued and
12 carried forward and may not be used until July 1, 2009 and until a
13 polysilicon manufacturer expends five hundred million dollars on
14 qualified preproduction development expenditures. These carryover
15 credits may be used at any time thereafter, and may be carried over
16 until used. Refunds may not be granted in the place of a credit.

17 (2) The credit is equal to the amount of qualified preproduction
18 development expenditures of a person, multiplied by the rate of one and
19 one-half percent.

1 (3) Except as provided in subsection (1)(b) of this section, the
2 credit must be taken against taxes due for the same calendar year in
3 which the qualified preproduction development expenditures are
4 incurred. Credit earned on or after July 1, 2009, may not be carried
5 over. The credit for each calendar year must not exceed the amount of
6 tax otherwise due under this chapter for the calendar year. Refunds
7 may not be granted in the place of a credit.

8 (4) Any person claiming the credit must file an affidavit form
9 prescribed by the department that includes the amount of the credit
10 claimed and such additional information as the department may
11 prescribe.

12 (5) The definitions in this subsection apply throughout this
13 section unless the context clearly requires otherwise.

14 (a) "Person" means a person as defined in RCW 82.04.030, who is a
15 manufacturer or processor for hire of commercial airplanes, or
16 components of such airplanes, as those terms are defined in RCW
17 82.32.550.

18 (b) "Qualified preproduction development" means preproduction
19 development performed in the field of polysilicon manufacturing in a
20 county along the boundary line between Washington and Oregon with a
21 population greater than fifty thousand but less than one hundred
22 thousand.

23 (c) "Qualified preproduction development expenditures" means
24 expenses including wages and benefits directly incurred in the design
25 and engineering of a polysilicon plant, including associated workforce
26 training requirements and utility extensions associated thereto. The
27 term includes capital costs and overhead, such as expenses for land,
28 structures, or depreciable property.

29 (d) "Taxable amount" means the taxable amount subject to the tax
30 imposed in this chapter required to be reported on the person's tax
31 returns during the year in which the credit is claimed, less any
32 taxable amount for which a credit is allowed under RCW 82.04.440.

33 (6) In addition to all other requirements under this title, a
34 person taking the credit under this section must report as required
35 under RCW 82.32.545.

36 (7) Credit may not be claimed for expenditures for which a credit
37 is claimed under RCW 82.04.4452.

1 NEW SECTION. **Sec. 2.** If a port in a county along the boundary
2 line between Washington and Oregon with a population greater than fifty
3 thousand but less than one hundred thousand and a polysilicon
4 manufacturer do not sign a memorandum of understanding to site a
5 polysilicon plant that meets the definition of "qualified preproduction
6 development" in section 1 of this act by October 1, 2008, section 1 of
7 this act is null and void.

--- END ---