

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1279

Chapter 112, Laws of 2021

67th Legislature
2021 Regular Session

MAIN STREET TAX INCENTIVE PROGRAM—COVID-19

EFFECTIVE DATE: July 25, 2021—Except for sections 2 and 3, which become effective October 1, 2021.

Passed by the House April 14, 2021
Yeas 97 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate April 7, 2021
Yeas 49 Nays 0

DENNY HECK

President of the Senate

Approved April 21, 2021 3:13 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1279** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

April 21, 2021

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1279

AS AMENDED BY THE SENATE

Passed Legislature - 2021 Regular Session

State of Washington 67th Legislature 2021 Regular Session

By House Finance (originally sponsored by Representatives Rule, Ramel, Bateman, Boehnke, Shewmake, Chapman, Ryu, J. Johnson, Wicks, Senn, Hoff, Walen, Peterson, Hackney, Rude, Callan, Leavitt, Vick, and Harris-Talley)

READ FIRST TIME 02/08/21.

1 AN ACT Relating to modifying the Washington main street program
2 tax incentive to respond to the economic impacts of the COVID-19
3 pandemic; amending RCW 82.73.030; adding a new section to chapter
4 82.73 RCW; creating a new section; repealing 2017 3rd sp.s. c 37 s
5 1406 (uncodified); providing an effective date; and providing an
6 expiration date.

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

8 NEW SECTION. **Sec. 1.** The legislature finds that as a result of
9 the economic impacts of the COVID-19 pandemic, certain businesses
10 that made contributions to a Washington main street community or to
11 the main street trust fund in 2020, and qualified for a credit
12 against the business and occupation tax or public utility tax, have
13 received insufficient revenues, and have insufficient tax
14 liabilities, to allow them to use the full amount of the credit for
15 which they have qualified. With this act, the legislature intends to
16 address this finding by allowing credits earned as result of
17 contributions made in calendar year 2020 to be carried over for an
18 additional two years, and by providing an additional credit against
19 the business and occupation tax or public utility tax.

1 **Sec. 2.** RCW 82.73.030 and 2017 3rd sp.s. c 37 s 103 are each
2 amended to read as follows:

3 (1) Subject to the limitations in this chapter, a credit is
4 allowed against the tax imposed by chapters 82.04 and 82.16 RCW for
5 approved contributions that are made by a person to a program or the
6 main street trust fund.

7 (2) ~~((The))~~ (a) Except as provided in (b) of this subsection, the
8 credit allowed under this section is limited to an amount equal to:

9 ~~((a))~~ (i) Seventy-five percent of the approved contribution
10 made by a person to a program; or

11 ~~((b))~~ (ii) Fifty percent of the approved contribution made by a
12 person to the main street trust fund.

13 (b) Beginning with contributions made in calendar year 2021, an
14 additional credit is allowed equal to 25 percent of the approved
15 contribution made by a person to the main street trust fund.

16 (3) The department may not approve credit with respect to a
17 program in a city or town with a population of one hundred ninety
18 thousand persons or more.

19 (4) The department must keep a running total of all credits
20 approved under this chapter for each calendar year. The department
21 may not approve any credits under this section that would cause the
22 total amount of approved credits statewide to exceed ~~((two million~~
23 ~~five hundred thousand dollars))~~ \$5,000,000 in any calendar year.

24 (5) (a) (i) The total credits allowed under this chapter for
25 contributions made to each program may not exceed ~~((one hundred~~
26 ~~thousand dollars))~~ \$160,000 in a calendar year.

27 (ii) Between 8:00 a.m., Pacific standard time, on the second
28 Monday in January and ~~((March 31st))~~ 8:00 a.m., Pacific daylight
29 time, on April 1st of the same calendar year, the department must
30 evenly allocate the amount of statewide credits allowed under
31 subsection (4) of this section based on the total number of programs
32 and the main street trust fund as of January 1st in the same calendar
33 year. The department may not approve contributions for a program or
34 the main street trust fund that would cause the total amount of
35 approved credits for a program or the main street trust fund to
36 exceed the allocated amount.

37 (b) The total credits allowed under this chapter for a person may
38 not exceed two hundred fifty thousand dollars in a calendar year.

39 (6) ~~((The))~~ Except as provided in subsection (8) of this section,
40 the credit may be claimed against any tax due under chapters 82.04

1 and 82.16 RCW only in the calendar year immediately following the
2 calendar year in which the credit was approved by the department and
3 the contribution was made to the program or the main street trust
4 fund. Credits may not be carried over to subsequent years. No refunds
5 may be granted for credits under this chapter.

6 (7) The total amount of the credit claimed in any calendar year
7 by a person may not exceed the lesser amount of:

8 (a) The approved credit; or

9 (b) Seventy-five percent of the amount of the contribution that
10 is made by the person to a program and (~~fifty~~) 75 percent of the
11 amount of the contribution that is made by the person to the main
12 street trust fund, in the prior calendar year.

13 (8) Any credits provided in accordance with this chapter for
14 approved contributions made in calendar year 2020 may be carried over
15 for an additional two years and must be used by December 31, 2023.

16 (9) No credit is allowed or may be claimed under this section on
17 or after January 1, 2032.

18 NEW SECTION. Sec. 3. A new section is added to chapter 82.73
19 RCW to read as follows:

20 This chapter expires January 1, 2032.

21 NEW SECTION. Sec. 4. Sections 2 and 3 of this act take effect
22 October 1, 2021.

23 NEW SECTION. Sec. 5. 2017 3rd sp.s. c 37 s 1406 (uncodified) is
24 repealed.

Passed by the House April 14, 2021.
Passed by the Senate April 7, 2021.
Approved by the Governor April 21, 2021.
Filed in Office of Secretary of State April 21, 2021.

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