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HOUSE BILL 2026

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Pettigrew, Stokesbary, Tarleton, Doglio, Wilcox, Macri, and Nealey

1 AN ACT Relating to providing a business and occupation tax credit  
2 for live arts performances; adding a new section to chapter 82.04  
3 RCW; creating new sections; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that annually an  
6 average of forty-five percent of Washington residents attend a  
7 performing arts event. The legislature further finds that children  
8 exposed to the performing arts are more likely to attend performing  
9 arts events as adults. The legislature finds that the performing arts  
10 add to the economy through wages, capital development, and copyright  
11 value. The legislature further finds that there are four million  
12 seven hundred thousand arts and culture workers in the United States.  
13 In addition, the legislature finds that performance arts, including  
14 live theater performances, are often undertaken by nonprofit entities  
15 and theaters. The legislature finds Washington's economy will benefit  
16 by incentivizing the long-run live theater industry to become a  
17 regular part of the state's economy. To compete with other prominent  
18 theater cities in the United States and abroad in attracting  
19 nationally recognized long-run shows, the legislature intends to  
20 establish a business and occupation tax incentive to attract these  
21 shows and promote economic opportunity for industry supporting

1 businesses that benefit when nationally recognized long-run shows  
2 come to the state.

3 NEW SECTION. **Sec. 2.** (1) This section is the tax preference  
4 performance statement for the tax preference contained in section 3  
5 of this act. This performance statement is only intended to be used  
6 for subsequent evaluation of the tax preference. It is not intended  
7 to create a private right of action by any party or be used to  
8 determine eligibility for preferential tax treatment.

9 (2) The legislature categorizes this tax preference as one  
10 intended to improve industry competitiveness, as indicated in RCW  
11 82.32.808(2)(b).

12 (3) It is the legislature's specific public policy objective to  
13 attract long-run live performances to Washington, promoting growth in  
14 the arts and establishing economic growth for businesses that  
15 indirectly benefit from the increase of long-run performances that  
16 come to the state.

17 (4) If a review by the joint legislative audit and review  
18 committee finds that the number of long-run performances has  
19 increased by fifty percent as compared to a similar time period  
20 directly prior to the enactment of this tax preference, then the  
21 legislature intends to extend the expiration date of the tax  
22 preference.

23 (5) In order to obtain the data necessary to perform the review  
24 in subsection (4) of this section, the joint legislative audit and  
25 review committee may refer to the annual report, provided to the  
26 department of revenue, required under section 3 of this act.

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04  
28 RCW to read as follows:

29 (1) The definitions in this subsection apply throughout this  
30 section unless the context clearly requires otherwise.

31 (a) "Eligible person" means a theater producer, owner, licensee,  
32 operator, or presenter that is approved for a credit pursuant to  
33 subsection (3) of this section.

34 (b) "Production" means a live theater production in Washington  
35 that is:

36 (i) Scheduled to run at least six weeks, including preproduction;  
37 or

1 (ii) Four weeks of live theater performances with a minimum of  
2 six performances per week.

3 (c) "Theater" means a theater in Washington with a seating  
4 capacity between eight hundred and three thousand five hundred.

5 (2) In computing the tax under this chapter, a credit is  
6 available for an eligible person that is involved with a production  
7 that occurs in a theater. The credit is fifty percent of the taxes  
8 due under this chapter.

9 (3) The credit is up to three hundred thousand dollars per  
10 calendar year statewide. The credit is available on a first-come  
11 basis. The credit amount may not exceed the amount due under this  
12 chapter.

13 (4) No application is required for this credit. The eligible  
14 person must keep records necessary for the department to verify  
15 eligibility.

16 (5) Any portion of the credit under this section not used in the  
17 year earned may not be carried over to subsequent years.

18 (6) To claim a credit under this section, an eligible person must  
19 electronically file with the department all returns, forms, or  
20 information required by the department, in an electronic format as  
21 provided and approved by the department. Any return, form, or  
22 information required to be filed in an electronic format under this  
23 section is not filed until received by the department in electronic  
24 format. As used in this subsection, "returns" has the same meaning as  
25 "return" in RCW 82.32.050.

26 (7)(a) Any eligible person receiving a credit under this section  
27 is required to file an annual report with the information required in  
28 (b) of this subsection according to the deadlines and subject to the  
29 same penalties as RCW 82.32.534.

30 (b) An eligible person claiming a credit under this section must  
31 file an annual report for each year the credit is taken. The annual  
32 report must include the following information:

33 (i) Description of eligibility;

34 (ii) Amount of credit claimed; and

35 (iii) The number of live performances completed.

36 (8) The department must post a notice once the annual statewide  
37 credit is reached.

38 (9) No credit may be claimed after January 1, 2022.

1 (10) This section expires January 1, 2022.

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