
HOUSE BILL 2114

State of Washington

67th Legislature

2022 Regular Session

By Representative Kraft

1 AN ACT Relating to supporting entrepreneurship and start-up
2 businesses; adding a new section to chapter 82.04 RCW; creating a new
3 section; providing an effective date; and providing an expiration
4 date.

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
7 RCW to read as follows:

8 (1) This chapter does not apply to a start-up business during the
9 first 24 months of operation of the start-up business.

10 (2) A start-up business must file an application, in a form and
11 manner required by the department, before taking the exemption under
12 this section.

13 (3) For purposes of this section, "start-up business" means a
14 business that: (a) Has an annual revenue of less than \$500,000; (b)
15 has fewer than 50 employees; and (c) obtained or was required to
16 obtain a registration certificate under RCW 82.32.030.

17 (4) This section expires January 1, 2033.

18 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
19 performance statement for the tax preference contained in section 1,
20 chapter . . ., Laws of 2022 (section 1 of this act). This performance

1 statement is only intended to be used for subsequent evaluation of
2 the tax preference. It is not intended to create a private right of
3 action by any party or to be used to determine eligibility for
4 preferential tax treatment.

5 (2) The legislature categorizes this tax preference as one
6 intended to provide tax relief for certain businesses or individuals,
7 as indicated in RCW 82.32.808(2)(e).

8 (3) It is the legislature's specific public policy objective to
9 support entrepreneurship in the state through providing tax relief
10 for start-up businesses.

11 (4) If a review finds that at least one start-up business in this
12 state used the deduction, then the legislature intends to extend the
13 expiration date of the tax preference.

14 (5) In order to obtain the data necessary to perform the review
15 in subsection (4) of this section, the joint legislative audit and
16 review committee may refer to any data collected by the state.

17 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2022.

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