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**SUBSTITUTE HOUSE BILL 2306**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** House Finance (originally sponsored by Representatives Steele and Callan)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to allowing main street programs to use remaining  
2 main street tax credits after a certain date; and amending RCW  
3 82.73.030.

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

5 **Sec. 1.** RCW 82.73.030 and 2023 c 96 s 1 are each amended to read  
6 as follows:

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

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

13 (i) Seventy-five percent of the approved contribution made by a  
14 person to a program; or

15 (ii) Fifty percent of the approved contribution made by a person  
16 to the main street trust fund.

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

1 (3) The department may not approve credit with respect to a  
2 program in a city or town with a population of 190,000 persons or  
3 more at the time of designation under RCW 43.360.030.

4 (4) The department must keep a running total of all credits  
5 approved under this chapter for each calendar year. The department  
6 may not approve any credits under this section that would cause the  
7 total amount of approved credits statewide to exceed \$5,000,000 in  
8 any calendar year.

9 (5) (a) (i) The total credits allowed under this chapter for  
10 contributions made to each program may not exceed \$160,000 in a  
11 calendar year, except as provided in (a) (iii) of this subsection.

12 (ii) Between 8:00 a.m., Pacific standard time, on the second  
13 Monday in January and 8:00 a.m., Pacific daylight time, on April 1st  
14 of the same calendar year, the department must evenly allocate the  
15 amount of statewide credits allowed under subsection (4) of this  
16 section based on the total number of programs and the main street  
17 trust fund as of January 1st in the same calendar year. The  
18 department may not approve contributions for a program or the main  
19 street trust fund that would cause the total amount of approved  
20 credits for a program or the main street trust fund to exceed the  
21 allocated amount.

22 (iii) Between 8:00 a.m., Pacific standard time, on October 1st  
23 and 8:00 a.m., Pacific daylight time, on December 31st of the same  
24 calendar year, the total credits allowed under this chapter for  
25 contributions made to each program may not exceed \$250,000.

26 (b) The total credits allowed under this chapter for a person may  
27 not exceed \$250,000 in a calendar year.

28 (6) Except as provided in subsection (8) of this section, the  
29 credit may be claimed against any tax due under chapters 82.04 and  
30 82.16 RCW only in the calendar year immediately following the  
31 calendar year in which the credit was approved by the department and  
32 the contribution was made to the program or the main street trust  
33 fund. Credits may not be carried over to subsequent years. No refunds  
34 may be granted for credits under this chapter.

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

37 (a) The approved credit; or

38 (b) Seventy-five percent of the amount of the contribution that  
39 is made by the person to a program and 75 percent of the amount of

1 the contribution that is made by the person to the main street trust  
2 fund, in the prior calendar year.

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

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

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