
SENATE BILL 5812

State of Washington 63rd Legislature 2013 Regular Session

By Senators Hill, Hobbs, Hargrove, and Shin; by request of Governor Inslee

Read first time 02/18/13. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing a business and occupation tax credit
2 for businesses that hire veterans; adding a new section to chapter
3 82.04 RCW; creating new sections; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) A person is allowed a credit against the tax due under this
8 chapter as provided in this section. The credit equals:

9 (a) Twenty percent of wages and benefits paid up to a maximum of
10 three thousand dollars for each qualified employment position filled by
11 an unemployed veteran of Operation Enduring Freedom or Operation Iraqi
12 Freedom.

13 (b) Ten percent of wages and benefits paid up to a maximum of one
14 thousand five hundred dollars for each qualified employment position
15 filled by an unemployed veteran of an armed conflict prior to Operation
16 Enduring Freedom.

17 (2) The department must keep a running total of all credits allowed
18 under this chapter during each fiscal year. The department may not
19 allow any credits that would cause the total to exceed ten million

1 dollars in any fiscal year. If all or part of a claim for credit is
2 disallowed under this subsection, the disallowed portion is carried
3 over to the next fiscal year. However, the carryover into the next
4 fiscal year is only permitted to the extent that the cap for the next
5 fiscal year is not exceeded. Priority must be given to credits carried
6 over from a previous fiscal year.

7 (3) The credit may be used against any tax due under this chapter,
8 and may be carried over until used. No refunds may be granted for
9 credits under this section.

10 (4) The taxpayer must keep records necessary for the department to
11 determine eligibility under this section. The department may prescribe
12 rules and procedures regarding the administration of this section.

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

15 (a)(i) "Qualified employment position" means a permanent full-time
16 employee employed during two consecutive full calendar quarters. For
17 seasonal employers, "qualified employment position" also includes the
18 equivalent of a full-time employee in work hours for two consecutive
19 full calendar quarters.

20 (ii) For purposes of this subsection (5)(a), "full-time" means a
21 normal work week of at least thirty-five hours.

22 (iii) If an employee is either voluntarily or involuntarily
23 separated from employment, the position does not cease to be a
24 qualified employment position if the employer is training or actively
25 recruiting a replacement who is an unemployed veteran.

26 (b) "Unemployed" has the same meaning as in RCW 50.04.310.

27 (c) "Veteran" means every person who has received an honorable
28 discharge or received a discharge for medical reasons with an honorable
29 record, where applicable, and who has served as a member in any branch
30 of the armed forces of the United States, including the national guard
31 and armed forces reserves, and has fulfilled his or her initial
32 military service obligation, and has served in operation enduring
33 freedom, operation Iraqi freedom, or any armed conflict prior to
34 operation enduring freedom.

35 NEW SECTION. **Sec. 2.** Pursuant to chapter 43.136 RCW, the joint
36 legislative audit and review committee must review the business and

1 occupation tax credit established under section 1 of this act by July
2 1, 2018.

3 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2013.

4 NEW SECTION. **Sec. 4.** This act may be known and cited as the hire
5 our heroes tax credit program.

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