

HB 2066 B STAFF MEASURE SUMMARY

Carrier: Sen. Hass

Joint Committee On Tax Credits

Action Date: 07/05/17

Action: Do pass the B-Eng bill.

Senate Vote

Yeas: 5 - Baertschiger Jr, Boquist, Hass, Riley, Taylor

House Vote

Yeas: 6 - Barnhart, Bentz, Buehler, Johnson, Nosse, Smith G

Nays: 3 - Hernandez, Marsh, Smith Warner

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Prepared By: Paul Warner, Legislative Revenue Officer

WHAT THE MEASURE DOES:

HB 2066 is the biennial tax credit bill. The measure extends and modifies existing credits and establishes new credits. Specifically, HB 2066 extends the affordable lenders credit and increases the cap, extends and modifies the rural health provider credit, extends the fish screening and reservation enterprise zone credits and creates a new employer training credit for certain counties. The measure also modifies the wage requirements for rural enterprise zones and the bio-mass manure credit. Finally, HB 2066 makes disallowance of credits against the corporate minimum tax permanent by removing a sunset.

ISSUES DISCUSSED:

- Role of tax credits in current budget environment.
- Focus on housing and the need to increase the supply of low income housing.
- Role of residential energy credit and the need to restructure expiring credit.
- Ways to support rural economic development.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The tax credit sunset/review process was established by the 2009 Legislature. Most existing credits has a six year sunset. Roughly 1/3 of the credits are reviewed during long sessions. The process culminates in an omnibus tax credits extension/modification bill coming from the Joint Tax Credit Committee. HB 2066 is the omnibus tax credit bill for the 2017 session.