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## High technology study provides information on tax incentive programs

**OLYMPIA** – Dec. 3, 2013 – The Washington State Department of Revenue (Revenue) has released its 2013 High Technology Study, which includes information about how two tax incentive programs have affected high technology businesses in the state. The study can be found on Revenue's website under [Statistics & Reports](#).

The legislatively-mandated study shows the impact of the state's two incentive programs: a sales and use tax deferral/exemption for research and development facilities and equipment, and the business and occupation (B&O) tax credit for expenditures on research and development. The study provides information on:

- Job creation
- Jobs created for Washington residents
- Company growth
- The introduction of new products
- The diversification of the state's economy
- Growth in research and development investment
- The movement of taxpayers or the consolidation of taxpayers into the state

Among the highlights of the study:

- Over 2,400 businesses have participated in the incentive programs since they became effective in 1995.
- From 1995 through 2012, 383 businesses have invested approximately \$8.2 billion in facilities, machinery and equipment which qualify for the high tech deferral.
- State and local sales and use taxes deferred for high tech projects are estimated at \$692.9 million.
- Almost half of all taxpayers that use a high tech incentive for the first time have been in business for a year or less.
- Eighty-six percent of new employees hired in 2012 by businesses taking the incentives were Washington residents.

The study provides observations of what has happened in the last 18 years since the incentives went into effect but doesn't draw conclusions or make policy recommendations. The two incentives are scheduled to expire Jan. 1, 2015.

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**About Revenue**

The Department of Revenue is Washington state's primary tax administration agency, nationally recognized for innovation and service quality. In fiscal year 2013, Revenue collected more than \$18 billion in tax revenues that support public schools, social services, health care, corrections, public safety and natural resources conservation.