

## Reduce the cap on the B&O tax credit for high-technology research and development spending from \$2 million to \$1 million per year

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**Description** This proposal would reduce the maximum amount of the high technology B&O tax credit a business can claim in any calendar year from \$2 million to \$1 million.

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**Current Law** RCW 82.04.4452 provides a B&O tax credit equal to 1.5% of qualified research and development expenditures in five high technology areas: Advanced computing, advanced materials, electronic device technology, environmental technology, and biotechnology.

The maximum amount a business can claim in any calendar year is \$2 million.

In 2010, three businesses claimed over \$1 million, each claiming the \$2 million maximum. Over 500 other businesses claimed the credit, most for less than \$100,000

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**Revenue Impact**

General Fund Impacts (\$ millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$	\$3.7	\$3.7

*Notes:*

- *Estimates assume a July 1, 2012 effective date, representing 11 months of collections for FY 2013.*
  - *Estimates reflect the September 2011 revenue forecast by the Forecast Council.*
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**Expenditure Impact**

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
TBD	TBD	TBD

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