WASHINGTON STATE DEPARTMENT OF REVENUE

SPECIAL NOTICE

April 28, 2006

For further information contact:
Telephone Information Center
1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715
Teletype 1-800-451-7985

Electric Utility Tax Credit for Rural Economic Development Revolving Fund

Qualifying light and power businesses are eligible for a public utility tax credit for an amount equal to 50 percent of contributions made to an electric utility rural economic development revolving fund. The credit program is effective through June 30, 2011. (Revised Code of Washington (RCW) 82.16.0491)

The total amount of credit statewide for all light and power businesses is $350,000 per fiscal year. Each light and power business is limited to a maximum credit of $25,000 per fiscal year.

This notice is our annual update on the program and includes the application form for July 1, 2006 to June 30, 2007.

The Program

Light and power businesses or local boards whose members live or work in the qualifying rural area may establish a fund. Expenditures from the fund must be made **solely** on qualifying projects.

A "qualifying rural area" is a county with a population density of less than one hundred persons per square mile or a geographic area served by a light and power business that contains 12,000 customers or fewer. The tax credit is available for contributions to a fund set up in either a qualifying county or in a geographic area.

Qualifying Rural Counties

The following counties qualify:

Adams	Douglas	Kittitas	Pend Oreille	Whatcom
Asotin	Ferry	Klickitat	San Juan	Whitman
Benton	Franklin	Lewis	Skagit	Yakima
Chelan	Garfield	Lincoln	Skamania	
Clallam	Grant	Mason	Stevens	
Columbia	Grays Harbor	Okanogan	Wahkiakum	
Cowlitz	Jefferson	Pacific	Walla Walla	

Credit Applications

Credit forms are available on our web site at http://dor.wa.gov. The *Public Utility Tax Credit* forms will be accepted beginning May 1 for the fiscal year beginning on July 1 of the same year. We approve the tax credit on a first come, first serve basis. The tax credit cannot be carried forward to future periods without prior approval.

Other Information

The goal of the program is to support qualifying projects that improve economic, health and safety conditions, and facilitate conservation and development of renewable energy resources in qualifying rural areas. The goal is achieved when the investment of the revolving funds have generated capital investment in an amount of $4,750,000 or more within a five-year period.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

PUBLIC UTILITY TAX CREDIT
FOR CONTRIBUTIONS TO AN ELECTRIC UTILITY RURAL ECONOMIC DEVELOPMENT REVOLVING FUND

RCW 82.16.0491

To earn a credit for contributions made between July 1, 2006 and June 30, 2007 of this year, submit this form after May 1, 2006. This will inform the Department of the amount of credit you intend to take in the fiscal year beginning July 1st and ending June 30th.

Complete and Mail to the Address Listed Below

1. Name of Utility: _____ 2. Tax Registration Number: _____
3. Address: _____
   Street *City* *State* *Zip*
4. Contact Person: _____
   Name *Phone Number*
5. Name of the electric utility rural economic development revolving fund to which a contribution was made:
   _____
6. Date of Contribution ..... ____/____/____
7. Amount of Contribution .....$_____
8. Amount of Credit (50% of Contribution) .....$_____
9. The amount of credit to be taken this fiscal year .....$_____

Instructions

To qualify for this credit, a light and power business must:

- Have 12,000 or fewer customers; and
- Have made a contribution to an electric utility rural economic development revolving fund; and
- Ensure that expenditures are made solely on qualifying projects.

To earn a credit under this section, a light and power business must:

- Submit this form for an earned credit for contributions made between July 1, 2006 and June 30, 2007. The Department must receive this form on or before January 31, 2007.

To take a Public Utility Tax (PUT) Credit on the excise tax return:

- List the electric utility rural economic development revolving fund Public Utility Tax Credit taken under the Credits section, for no more than the PUT liability year-to-date.

Note:

- The credit may not exceed your PUT liability.
- Credits for contributions made in a fiscal year, July 1st through June 30th, are limited to $25,000.

Mail completed form to:

State of Washington
Department of Revenue
Attn: Tax Examination & Assessment Team
PO Box 47476
Olympia, WA 98504-7476

Please Note: *This credit program has a fiscal year cap of $350,000. Credit is allowed on a first come, first served basis.*

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