



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

APRIL 30, 2010

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. The credit taken by each light and power business may not exceed the business' public utility tax liability.

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. This 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.

This notice is our annual update on the program and includes the application form for July 1, 2010 to June 30, 2011.

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. "Qualifying project" means a project designed to achieve job creation or business retention, to add or upgrade nonelectrical infrastructure, to add or upgrade health and safety facilities, to accomplish energy and water use efficiency improvements, including renewable energy development, or to add or upgrade emergency services in any designated qualifying rural area.

A "qualifying rural area" is a county with a population density of less than 100 persons per square mile, a county smaller than 225 square miles, or any geographic area that receives electricity from a light and power business with 12,000 customers or less. The tax credit is available for contributions to a fund in a qualified area.

Qualifying Rural Counties

The following counties qualify:

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

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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 following 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.