



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)
Do NOT use for expedited rule making

Agency: Department of Revenue

Preproposal Statement of Inquiry was filed as WSR 05-05-061; or
 Expedited Rule Making--Proposed notice was filed as WSR ; or
 Proposal is exempt under RCW 34.05.310(4).

Original Notice
 Supplemental Notice to WSR
 Continuance of WSR

Title of rule and other identifying information:

WAC 458-20-24001 Sales and use tax deferral - Manufacturing and research/development activities in rural counties - Applications filed after March 31, 2004
WAC 458-20-24001A Sales and use tax deferral - Manufacturing and research/development activities in rural counties - Applications filed prior to April 1, 2004

Hearing location(s):

Capitol Plaza Building
4th Floor – L&P Large Conference Room
1025 Union Avenue SE
Olympia, Washington 98504

Date: July 6, 2006 Time: 1:30pm

Submit written comments to:

Name: Allan C. Lau
Address: Post Office Box 47453
Olympia, Washington
98504-7453
e-mail AllanL@dor.wa.gov
fax (360) 586-5543
by July 6, 2006

Assistance for persons with disabilities: Contact Sandy Davis no later than 10 days before the hearing date.
TTY 1-800-451-7985 or (360) 725-7499

Date of intended adoption: July 13, 2006
(Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules: (see attachment)

Reasons supporting proposal: To update the rule to reflect legislative changes and to clarify the application of taxes.

Statutory authority for adoption:
RCW 82.32.300 and 82.01.060(2)

Statute being implemented: chapter 82.60 RCW

Is rule necessary because of a:

Federal Law? Yes No
Federal Court Decision? Yes No
State Court Decision? Yes No
If yes, CITATION:

Filed: May 24, 2006

Time 11:33 a.m.

Date

Name

Alan R. Lynn

WSR: 06-11-185

Signature

Title

Rules Coordinator

The above information was input by DOR

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

None.

Name of proponent: Department of Revenue

Private
 Public
 Governmental

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting.....	Allan C. Lau	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6134
Implementation....	Alan R. Lynn	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6125
Enforcement.....	Janis P. Bianchi	1025 Union Ave. SE. Ste #544, Olympia ,Wa	(360) 570-6147

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone

fax

e-mail

No. Explain why no statement was prepared.

The rule does not impose any new performance requirement or administrative burden on any small business not required by statute.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone

fax

e-mail

No: Please explain: The proposed rule is not a significant legislative rule as defined by RCW 34.05.328.

Attachment to CR-102 filing for:

- WAC 458-20-24001 Sales and use tax deferral - Manufacturing and research/development activities in rural counties - Applications filed after March 31, 2004**
- WAC 458-20-24001A Sales and use tax deferral - Manufacturing and research/development activities in rural counties - Applications filed prior to April 1, 2004**

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

Chapter 82.60 RCW establishes a sales and use tax deferral program. The purpose of the program is to promote economic stimulation, create employment opportunities, and reduce poverty in certain areas of the state. The legislature established this program to be effective solely in those areas and under circumstances where the deferral is for investments that result in the creation of a specified minimum number of jobs or investment for a qualifying project.

These rules explain the sales and use tax deferral program's eligible area criteria, hiring requirements, reporting and monitoring procedures, and tax repayment requirements. They also explain the application procedure and review process, how the deferral certificate is to be used, and the record-keeping requirements of the deferral program.

The Department is proposing a revision to these rules to incorporate provisions of chapter 25, Laws of 2004 and chapter 142, Laws of 2006. These provisions:

- Extend the expiration date of the deferral program to July 1, 2010;
- Require a recipient of the deferral to complete an annual survey;
- Revised the definitions of eligible area and eligible investment project; and
- Expanded the definition of manufacturing for purposes of the deferral program to include the conditioning of vegetable seed.

Rule 24001 is being revised to address the deferral program as it applies to persons who file applications after March 31, 2004. Information addressing the deferral program for the period of August 1, 1999 through March 31, 2004 is being moved from Rule 24001 to Rule 24001A.