



RULE-MAKING ORDER

CR-103 (June 2004)
(Implements RCW 34.05.360)

Agency: Department of Revenue

Permanent Rule
 Emergency Rule

Effective date of rule:
Permanent Rules
 31 days after filing.
 Other (specify)_____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Effective date of rule:
Emergency Rules
 Immediately upon filing.
 Later (specify)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?
 Yes No If Yes, explain:

Purpose:

See attachment.

Citation of existing rules affected by this order:

Repealed:
Amended:
Suspended:

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

Other authority :

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR 06-22-064 on 10/30/2006.

Describe any changes other than editing from proposed to adopted version: **None.**

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: **An analysis was not prepared.**

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

- That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

Date adopted:

Name (type or print)

Alan R. Lynn

Signature

Title Rules Coordinator

Filed: December 29, 2006

Time: 10:55 a.m.

WSR: 07-02-074

The above information was input by DOR

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

| | | | | |
|---|-----|---|---------|----------|
| Federal statute: | New | | Amended | Repealed |
| Federal rules or standards: | New | | Amended | Repealed |
| Recently enacted state statutes: | New | 1 | Amended | Repealed |

The number of sections adopted at the request of a nongovernmental entity:

| | | | | |
|--|-----|--|---------|----------|
| | New | | Amended | Repealed |
|--|-----|--|---------|----------|

The number of sections adopted in the agency's own initiative:

| | | | | |
|--|-----|---|---------|----------|
| | New | 1 | Amended | Repealed |
|--|-----|---|---------|----------|

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

| | | | | |
|--|-----|--|---------|----------|
| | New | | Amended | Repealed |
|--|-----|--|---------|----------|

The number of sections adopted using:

| | | | | |
|---------------------------------------|-----|---|---------|----------|
| Negotiated rule making: | New | | Amended | Repealed |
| Pilot rule making: | New | | Amended | Repealed |
| Other alternative rule making: | New | 1 | Amended | Repealed |



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

WAC 458-20-268 (Annual surveys for certain tax adjustments)

Attachment for CR 103 form

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

In order to take certain tax credits, deferrals, and exemptions ("tax adjustments"), taxpayers must file an annual survey with the Department of Revenue (the "Department") containing information about their business activities and employment. This rule explains the survey requirements for the various tax adjustments. This rule also explains who is required to file an annual survey, how to file a survey, and what information must be included in the survey.

The Department adopted WAC 458-20-268—Annual Surveys for Certain Tax Adjustments to incorporate provisions from the following: (a) chapter 2, Laws of 2004, (b) chapter 25, Laws of 2004, (c) chapter 513, Laws of 2005, (d) chapter 514, Laws of 2005, (e) chapter 112, Laws of 2006, (f) chapter 177, Laws of 2006, (g) chapter 178, Laws of 2006, (h) chapter 300, Laws of 2006, and (i) chapter 354, Laws of 2006. These provisions require completion of an annual survey by a person claiming the following tax adjustments:

- B&O tax credit for research and development spending under RCW 82.04.4452,
- Rural counties sales and use tax deferral under chapter 82.60 RCW,
- High technology sales and use tax deferral under chapter 82.63 RCW,
- Sales and use tax deferral for biotechnology product manufacturing under chapter 82.75 RCW,
- Sales and use tax deferral for dairy product manufacturing, seafood product manufacturing, and fresh fruit and vegetable processing under chapter 82.74 RCW,
- B&O tax exemption for dairy products under RCW 82.04.4268, seafood products under RCW 82.04.4269, and fruits and vegetables under RCW 82.04.4266,
- B&O tax credit for aerospace preproduction development under RCW 82.04.4487,
- Reduced B&O tax rate for certain FAR part 145 certificated repair stations under RCW 82.04.250(3),
- B&O tax credit for customized employment training under RCW 82.04.449, and
- Reduced B&O tax rates for timber products under RCW 82.04.260(12).