

# Other Rural County B&O Tax Credit Programs

The information contained in this fact sheet is current as of the date of publication and is intended only as general information. It does not cover every aspect of this incentive. Not all possible applications of this program are discussed. This fact sheet does not alter or supersede any administrative regulations or rulings issued by the Department.

## SOFTWARE MANUFACTURER/ PROGRAMMER B&O TAX CREDIT

A B&O tax credit of \$1,000 is available for each new qualified employment position created in a rural county after January 1, 2004, for persons in the business of manufacturing computer software or programming in a rural county.

The credit is earned for the calendar year the person is hired to fill the position. An additional \$1,000 credit is earned for each year the position is maintained over the subsequent consecutive years, up to four years. When a position is filled before July 1, the position is eligible for the full yearly credit for that calendar year. When it is filled after June 30, the position is eligible for half of the credit for that calendar year.

The credit may be taken on the basis of new employees hired for new qualified employment positions created on or after January 1, 2004. New qualified employment positions filled by existing employees are eligible for the credit under this section only if the position vacated by the existing employee is filled by a new hire. A sole proprietorship without any employees is eligible to receive credit for one position.

A person is not eligible to receive a credit if he/she is receiving credit for the same position under chapter 82.62 RCW or RCW 82.04.44525, or is taking an information technology help desk services credit.

Persons who claimed credit under RCW 82.04.4456 may carry over the application of the credit for qualified employment positions created before December 31, 2003, up to a total of four subsequent consecutive years, including any years claimed under RCW 82.04.4456.

Persons who did not receive a credit under RCW 82.04.4456 before December 31, 2003, are not eligible to earn credit for qualified employment positions created before December 31, 2003.

## INFORMATION HELP DESK TECHNOLOGY SERVICES B&O TAX CREDIT

A B&O tax credit is available to persons in the business of providing information technology help desk services to third parties in a rural county. The credit is equal to 100 percent of the B&O tax due attributable to providing such services.

For purposes of the credit, "information technology help desk services" means the following services performed using electronic and telephonic communication:

- Software and hardware maintenance
- Software and hardware diagnostics and troubleshooting
- Software and hardware installation
- Software and hardware repair
- Software and hardware information and training
- Software and hardware upgrade

## GENERAL PROVISIONS

No application is necessary for either credit. However, records must be kept for the Department to verify eligibility for the credit.

Under both programs, the credit earned during one calendar year may not be carried over to a subsequent calendar year, nor may any refunds be granted.

Transfer of business ownership does not affect credit eligibility for either program.

Both rural county B&O tax credit programs expire January 1, 2011.

## YEARLY REPORT REQUIRED

Both rural county B&O tax credit programs require that a yearly report in a letter form be filed with the Department of Revenue by January 30 of each year a credit is taken. The report for both programs must include:

- taxpayer name and registration number
- type of activity in which the person is engaged in the county
- how long the person has been located in the county

The report filed by persons taking the Software Manufacturer/Programmer credit must also include:

- number of positions for which credit is being claimed
- type of position for which credit is being claimed

The report filed by persons taking the Information Technology Help Desk Services credit must also include:

- number of employees in the rural county

## TELEPHONE INFORMATION CENTER

**1-800-647-7706**

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