

## BUSINESS TAXES

### BUSINESS AND OCCUPATION TAX - CREDITS

#### **82.04.427 POLLUTION CONTROL CREDIT**

#### **82.34.060(2)**

Description: A credit is allowed against B&O tax for up to 50 percent of the cost of required pollution control facilities. Up to 2 percent of the total credit may be taken each year.

Purpose: To encourage pollution control and to compensate Washington firms for the costs they incur to meet upgraded pollution standards.

Category/Year Enacted: Other business. 1967; new applications not allowed after 1981.

Primary Beneficiaries: Firms required to install pollution control facilities, primarily in the lumber and wood products, paper, aluminum and food products industries. A total of 151 firms applied for the B&O, public utility or use tax credits; eighteen firms have a remaining balance of credits to be taken in the future totaling \$15 million at the end of FY 2007.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 591	\$ 473	\$ 378	\$ 303
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues?  
No; credits currently being taken were authorized under prior law.

#### **82.04.4333 CREDIT FOR JOB TRAINING SERVICES**

Description: Twenty percent of the amount spent on job training by firms that are eligible for the rural county sales tax deferral/exemption program may be taken as a credit against B&O tax. The training must be designed to enhance job performance in a state-approved program which is sponsored or provided by the employer. The amount of credit for a particular firm is limited to \$5,000 annually.

Purpose: To encourage firms in rural counties to employ local residents who may need training.

Category/Year Enacted: Business incentive. 1996

Primary Beneficiaries: Manufacturing and R&D firms in rural counties; two firms take the credit.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) Due to confidentiality requirements, the impact of this tax credit cannot be publicly stated because it is believed to affect fewer than three taxpayers.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### 82.04.434 TESTING AND SAFETY LABORATORIES

Description: The value of services and information provided to the state of Washington free of charge by a laboratory which tests products for public safety purposes may be credited against B&O tax liability. The laboratory must not be affiliated with any industry group and must be exempt from federal tax.

Purpose: To encourage a testing/safety laboratory of this type to locate in Washington and ensure that these services are available for the safety of Washington residents.

Category/Year Enacted: Business incentive. 1991

Primary Beneficiaries: One firm.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) Due to confidentiality requirements, the impact of this tax credit cannot be publicly stated because it is believed to affect fewer than three taxpayers.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### 82.04.440(2&3) MULTIPLE ACTIVITIES TAX CREDIT: INTRASTATE

Description: This credit allows taxpayers who engage in more than one taxable activity under the B&O tax (e.g., manufacturing and retailing) to credit the tax due on one activity against the other.

Purpose: Until 1987 businesses were taxable under the B&O tax only under a single classification for income associated with a particular activity or product. In that year the U.S. Supreme Court ruled that Washington could not discriminate against firms operating on an interstate basis - intrastate activities were taxed only once whereas interstate activities could potentially be taxed twice. Part of the solution was to subject products produced and sold in the state to tax under both the production and selling categories, but to allow the tax on the production activity to be credited against the selling tax.

Category/Year Enacted: Commerce. 1987

Primary Beneficiaries: Approx. 6,500 manufacturers that produce and sell products within the state.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax*	\$ (267)	\$ (279)	\$ (295)	\$ (313)
Local taxes - not considered.				

\*Since the manufacturing/extracting tax rate (0.484%) is higher than the retailing rate (0.471%), retail firms are not able to credit the entire amount of the production tax against the selling tax and therefore an overall tax increase could occur compared with just the retailing tax liability.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? No.

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### 82.04.440(2&4) MULTIPLE ACTIVITIES TAX CREDIT: INTERSTATE

Description: This credit allows firms that are subject to state or local gross receipts taxes in other states to credit these taxes against the B&O tax liability on income derived from the same product or activity.

Purpose: Until 1987 businesses were taxable under the B&O tax only under a single classification for income associated with a particular activity or product. In that year the U.S. Supreme Court ruled that Washington could not discriminate against firms operating on an interstate basis - intrastate activities were taxed only once whereas interstate activities could potentially be subject to gross receipts tax in Washington and in the destination state. This 1985 statute was intended to meet a potential adverse Court ruling overturning Washington's gross receipts tax by allowing the other state's gross receipts tax to be credited against Washington's tax.

Category/Year Enacted: Commerce. 1985 and 1987

Primary Beneficiaries: Approximately 40 firms are currently taking this credit.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 20,503	\$ 21,418	\$ 22,703	\$ 24,065
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? No.

### 82.04.4451 SMALL BUSINESS CREDIT

Description: This statute provides a credit against B&O tax due of up to \$35 per month. Firms with computed B&O tax liability of \$35 or less pay no tax. The credit amount is reduced as B&O tax liability exceeds \$35 per month and is phased out completely when the tax liability reaches \$70. In order to simplify calculation of the credit amount, 1997 legislation authorized the Department to prepare a credit table for use by all taxpayers, which applies the credit in \$5 increments.

Purpose: To provide tax relief to small businesses and encourage the growth of new firms.

Category/Year Enacted: Other business. 1994

Primary Beneficiaries: About 170,000 to 185,000 firms benefit from this credit each year.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 24,000	\$ 24,120	\$ 24,241	\$ 24,362
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### 82.04.4452 RESEARCH & DEVELOPMENT TAX CREDIT FOR HIGH TECH

Description: A B&O tax credit is provided for qualified expenditures on research and development (R&D) by certain firms. Eligible firms must be engaged in one of five fields of high technology: advanced computing, advanced materials, biotechnology, electronic device technology or environment technology. The credit is allowed for eligible spending on R&D activities that exceeds 0.92 percent of the firm's taxable income. The credit is calculated based on the average tax rate of the firm (1.5 percent starting in 2011) and is capped at \$2 million per year for each participating firm. The B&O tax credit for R&D expenditures is currently scheduled to expire on January 1, 2015.

Purpose: To stimulate the creation of high wage jobs in high technology industries and encourage firms to proceed from the R&D phase to actual manufacturing of new products.

Category/Year Enacted: Business incentive. 1994; credit amounts revised in 1998 and the calculation procedure was revised in 2004 and 2005.

Primary Beneficiaries: Approximately 1,700 firms have utilized the credit since its inception.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 24,383	\$ 27,243	\$ 29,765	\$ 31,463
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### 82.04.44525 INTERNATIONAL SERVICES TAX CREDIT

Description: Firms engaged in certain international services are entitled to a B&O tax credit of \$3,000 for each new job they create. Eligible activities are defined in the statute; they include services such as computer, legal, accounting, engineering, architectural, advertising, and financial services. To qualify, the firm must be located in a community empowerment zone or in a city or group of contiguous cities with a population of at least 80,000.

Purpose: To attract and retain businesses that provide services to international customers and create jobs.

Category/Year Enacted: Business incentive. 1998

Primary Beneficiaries: To date, it is believed that fewer than three firms have actually applied for and qualify for this credit, although incorrect taxpayer reporting implies a somewhat larger participation rate.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) Due to confidentiality requirements, the impact of this exemption cannot be publicly stated because it is believed to affect fewer than three taxpayers.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### 82.04.4461 AIRPLANE PRE-PRODUCTION EXPENDITURES

Description: A B&O tax credit is allowed for research and design expenditures by manufacturers of commercial aircraft or components of such aircraft. The amount of credit is equal to 1.5 percent of qualified pre-production expenditures, including the costs to design a new manufacturing process, but not actual production-related costs. The tax credit was effective on December 1, 2003. The credits may be taken on and after July 1, 2005. The credit is scheduled to expire on July 1, 2024.

Purpose: To encourage siting of a new assembly plant for a super-efficient aircraft in this state.

Category/Year Enacted: Business incentive. 2003

Primary Beneficiaries: Manufacturers of commercial airplanes or components of such airplanes.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 38,100	\$ 6,200	\$ 6,200	\$ 6,200
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### 82.04.4463 PROPERTY & LEASEHOLD TAX ON AIRPLANE FACILITIES

Description: A B&O tax credit is allowed for state and local property taxes and leasehold excise taxes paid by manufacturers of commercial aircraft or components of such aircraft. The credit applies to: (1) property tax on new structures and the land upon which they are located; (2) property tax on the increased value that is attributable to renovation or expansion of existing facilities; and (3) personal property tax on eligible manufacturing machinery. Property taxes eligible for the credit are those paid on construction or acquisition of equipment made after the effective date of this statute. The credit is scheduled to expire on July 1, 2024.

Purpose: To encourage siting of a new assembly plant for a super-efficient aircraft in this state.

Category/Year Enacted: Business incentive. 2003

Primary Beneficiaries: Manufacturers of commercial airplanes or components of such airplanes.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 1,650	\$ 1,518	\$ 1,396	\$ 1,284
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### 82.04.447 NATURAL GAS FOR DSI CUSTOMERS

Description: A credit against B&O tax is allowed for a direct service industry (DSI) firm that purchases electric power directly from the Bonneville Power Administration. The tax credit is equal to the amount of public utility tax paid on any natural gas purchased by the DSI to power a turbine in order to produce their own electric power. The tax credit lasts for 60 months and the firm must maintain its existing level of employment to take the credit.

Purpose: To encourage DSIs to continue manufacturing in Washington by constructing their own natural gas powered turbines after their BPA power contracts expire.

Category/Year Enacted: Business incentive. 2001

Primary Beneficiaries: To date, no firm has taken this tax credit.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) None.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues?  
Yes, assuming some firms were actually taking the credit.

### 82.04.448 CREDIT FOR NEW SEMICONDUCTOR JOBS

Description: A credit against B&O tax liability is allowed for manufacturers of semiconductor materials. The credit equals \$3,000 for each new job located in a new structure of a firm that produces materials for manufacturing semiconductors. Credit is allowed for up to eight consecutive years. The credit will be contingent upon commencement of commercial operations at a new semiconductor microchip fabrication plant with an investment in new buildings and equipment of at least \$1 billion. This criterion has yet to be met, and it is believed that the investment will not occur during the forecast period of this study. If the credit does become effective, it is scheduled to expire 12 years after the effective date.

Purpose: To encourage the retention of existing semiconductor firms in Washington and to attract similar businesses to this state.

Category/Year Enacted: Business incentive. 2003

Primary Beneficiaries: None, because the contingency criterion has not been met.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) None to date.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### **82.04.4481 PROPERTY TAX PAID ON ALUMINUM SMELTERS**

Description: Credit is allowed against state B&O tax liability for the amount of property taxes paid on aluminum smelters. Credits may be carried over for one year and do not accrue for property taxes levied for collection in 2012 and after.

Purpose: The aluminum industry is electricity intensive and was greatly affected by the dramatic increase in electricity prices which began in 2000. The intent is to preserve and restore family wage jobs by providing tax relief to the state's aluminum industry.

Category/Year Enacted: Business incentive; 2004, expanded in 2006.

Primary Beneficiaries: Manufacturers of aluminum.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) Due to confidentiality requirements, the impact of this tax credit cannot be publicly stated because it is believed to affect fewer than three taxpayers.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### **82.04.4482 PURCHASES OF POWER BY ALUMINUM SMELTERS**

Description: Firms that are subject to B&O tax on sales of electricity, natural gas or manufactured gas are exempt from the tax on sales made to an aluminum smelter. As long as the contract price for the power stipulates that the tax savings will be passed on to the smelter via reduced prices, then the seller may take the exemption in the form of a tax credit. Most sellers of power are subject to the public utility tax, not the B&O. The B&O tax incentive applies principally to purchases of brokered natural gas.

Purpose: The aluminum industry is electricity intensive and was greatly affected by the dramatic increase in electricity prices which began in 2000. The intent is to preserve and restore family wage jobs by providing tax relief to the state's aluminum industry.

Category/Year Enacted: Business incentive. 2004

Primary Beneficiaries: The aluminum industry.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) There are fewer than three firms that benefit from this B&O tax credit; therefore the revenue impact cannot be stated publicly.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### **82.04.4483      PRODUCTION OF SOFTWARE IN RURAL COUNTIES**

Description: A credit against B&O tax is provided for firms that create employment positions in rural counties. The new jobs must be involved in computer programming or manufacturing of computer software. The credit is equal to \$1,000 for each new job created and may be taken for up to five years. This credit is scheduled to expire on January 1, 2011.

Purpose: To encourage computer software firms to expand in rural areas.

Category/Year Enacted: Business incentive. 2004

Primary Beneficiaries: Approximately 17 firms in 2006.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 28	\$ 33	\$ 39	\$ 23
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### **82.04.4484      HELP-DESK SERVICES IN RURAL COUNTIES**

Description: A credit against B&O tax liability is allowed for income related to the provision of help-desk services provided from a location in a rural county. This credit is scheduled to expire on January 1, 2011.

Purpose: To encourage economic development in rural counties.

Category/Year Enacted: Business incentive. 2004 (replaces a similar credit which was effective from 1999 – 2003)

Primary Beneficiaries: Approximately 35 firms.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 266	\$ 292	\$ 322	\$ 177
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### 82.04.4485 PATIENT LIFTING DEVICES FOR HOSPITALS

Description: Credit against B&O tax liability is provided for amounts spent on mechanical lifting devices or other equipment used to minimize patient handling. The credit is limited to \$1,000 per acute care in-patient bed for the facility. A cap of \$10 million applies to all credits taken under the program. Expenditures eligible for the credit must be made by December 30, 2010.

Purpose: To reduce injuries among patients and health care workers.

Category/Year Enacted: Business incentive, 2006

Primary Beneficiaries: Approximately 97 hospitals and medical centers.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 3,068	\$ 3,327	\$ 1,720	\$ 0
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### 82.04.4486 TAX PAID ON CARBONATED BEVERAGE SYRUP

Description: Chapter 82.64 RCW imposes a tax of \$1.00 per gallon on syrup used to produce carbonated beverages (except syrup used to produce trademarked canned or bottled beverages). Receipts are deposited in the violence reduction and drug enforcement account. The B&O credit provides that syrup tax paid after July 1, 2006 may be credited against B&O tax liability. The amount of credit is phased in: 25 percent for FY 2007; 50 percent for FY 2008; 75 percent for FY 2009 and 100 percent thereafter.

Purpose: To maintain existing revenues for violence reduction/drug enforcement programs while providing tax relief for sellers of carbonated beverages.

Category/Year Enacted: Other business; 2006.

Primary Beneficiaries: Businesses that prepare and sell carbonated beverages for consumption on-premises (i.e., not canned or bottled) and firms that manufacture nontrademarked beverages.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 4,798	\$ 7,413	\$ 10,180	\$ 10,486
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### **82.04.4487 AIRPLANES PRE-PRODUCTION EXPENDITURES**

Description: A B&O tax credit, similar to the one provided by RCW 82.04.4461, is allowed for pre-production expenditures associated with production of commercial airplanes. This statute, however, allows firms that do not actually manufacture or assemble such an aircraft to take the credit on their R&D design and engineering costs. This credit expires on July 1, 2024.

Purpose: To encourage aerospace engineering and design activity in this state.

Category/Year Enacted: Business incentive. 2006

Primary Beneficiaries: Firms involved in aerospace engineering and design which do not actually manufacture or assemble commercial airplanes.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 488	\$ 494	\$ 500	\$ 250
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### **82.04.4489 CONTRIBUTIONS TO MOTION PICTURE COMPETITIVENESS PROGRAM**

Description: B&O tax credits are allowed for firms that make contributions to the Washington motion picture competitiveness program. The maximum credit that may be earned annually is 100 percent of the contributions for calendar year 2008 and 90 percent for subsequent years with a cap of \$1.0 million for each contributor. The maximum credit for all firms is \$3.5 million.

Purpose: To support the motion picture industry and to encourage production of motion pictures, television programs and commercials in this state.

Category/Year Enacted: Business incentive. 2006.

Primary Beneficiaries: The motion picture industry.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### 82.04.449 WORKFORCE TRAINING COSTS

Description: B&O tax credit is allowed for one-half of the costs of customized workforce training paid by employers to the State Board for Community Colleges.

Purpose: To facilitate training of new employees for new or expanding firms.

Category/Year Enacted: Business incentive. 2006

Primary Beneficiaries: Approximately 10 firms.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 46	\$ 115	\$ 176	\$ 207
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### 82.62.030 NEW JOBS IN RURAL COUNTIES

#### 82.62.045

Description: Credit against B&O tax liability is provided for manufacturing, R&D or computer service firms that create new jobs in rural counties or community empowerment areas. Rural counties are defined as those with an average population density of less than 100 persons per square mile. The amount of the credit is \$2,000 for each new job created, unless the new position is paid wages and benefits of more than \$40,000 annually in which case the credit is \$4,000. To qualify the firm must increase its total jobs in an eligible area by at least 15 percent. The total amount of credit is capped at \$7.5 million.

Purpose: To encourage firms to expand in rural areas.

Category/Year Enacted: Business incentive. 1986, minor revisions in eligibility in 2007.

Primary Beneficiaries: Approximately 100 applicants per year.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 2,738	\$ 3,448	\$ 3,025	\$ 2,973
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### 82.70.020 CREDIT FOR COMMUTE TRIP REDUCTION

Description: A credit against B&O tax is allowed for employers who provide financial incentives for their own or other employees to participate in commute trip reduction programs. The amount of the tax credit is equal to one-half of the employer's expenditure and is limited to \$60 per employee per year. Any single firm may claim a maximum of \$200,000 in credits each year, and the program is capped at \$2.75 million annually for both B&O and public utility tax credits. The tax credit program is scheduled to expire on July 1, 2013.

Purpose: An incentive for employers to make financial incentives available to their employees to encourage car-pooling and reduction of air pollution, traffic congestion, and fuel consumption.

Category/Year Enacted: Other. 2003; cap increased in 2005.

Primary Beneficiaries: Approximately 290 companies participated in the program in 2006 (including both B&O and public utility tax credits)

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 2,640	\$ 2,640	\$ 2,640	\$ 2,640
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

### 82.73.030 CONTRIBUTIONS TO COMMERCIAL AREA REVITALIZATION

Description: The Mainstreet program tax incentive in Chapter 82.73 RCW allows contributions to eligible nonprofit organizations to be credited against B&O or public utility tax liability.

Purpose: To encourage contributions to eligible nonprofit organizations with a mission to revitalize downtown or neighborhood commercial areas.

Category/Year Enacted: Other. 2005

Primary Beneficiaries: Firms that make eligible contributions to this program.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State tax	\$ 1,285	\$ 1,365	\$ 1,450	\$ 1,497
Local taxes - not considered.				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.