



STATE OF WASHINGTON
DEPARTMENT OF REVENUE
OFFICE OF THE DIRECTOR

P.O. Box 47454 • Tumwater, Washington 98504-7454 • (360) 534-1600 • FAX (360) 534-1606

December 19, 2022

TO: Sarah Banister, Secretary
Washington State Senate

Bernard Dean, Chief Clerk
Washington State House of Representatives

FROM: Steve Ewing, Legislative and External Affairs Liaison

SUBJECT: Descriptive Statistics 2020 Report

The Revised Code of Washington (RCW 82.32.534) requires the Department of Revenue (department) to summarize data from the annual tax performance report for select tax incentive programs by December 31. This statute requires the department to summarize report information in descriptive statistics by category. No fewer than three taxpayers may be included in any category.

The department submitted the 2020 Descriptive Statistics Report to you December 22, 2020. The attached is an updated report that includes six summary tables omitted in the original publication. The tables summarize employment data by standard occupation classes. The additional tables were added to the following incentives:

- Aerospace computer, software, and peripherals sales and use tax exemption.
- Aerospace property and leasehold business and occupation tax credit.

The tables have no impact on the incentive savings amounts or employment totals. We have updated the report on our agency website and are providing this to you for updating on the legislative website.

For calendar year 2019, taxpayers (participants) submitted reports for 48 incentives. This publication summarizes data from 2,018 reports and covers 32 incentives with three or more participants. The business and occupation tax, public utility tax, and sales and use tax incentives included in this report reduced state and local tax revenues by \$806 million in calendar year 2019. The participants reported over 939,000 employees located in Washington State as of December 31.

The department's Taxpayer Account Administration Division administers the annual tax performance report and is responsible for posting the public disclosure information on the department's website. The Research and Fiscal Analysis Division compiled the descriptive statistics.

The report is also available on our website at:

<http://www.dor.wa.gov/Content/AboutUs/StatisticsAndReports/Default.aspx>.

If you have questions about this report, please contact Kathy Oline, Assistant Director, Research and Fiscal Analysis, at (360) 534-1534.

Attachment

cc: Members, Senate Ways and Means Committee
Members, House Finance Committee
Members, House Appropriations Committee
David Schumacher, Director, Office of Financial Management
Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor

Descriptive Statistics for Tax Incentive Programs

2020 Report to the Legislature

Covering Calendar Year 2019 Activity

Vikki Smith, Director

Washington State Department of Revenue

December 2020



This page intentionally left blank.

Table of Contents

Executive Summary	1
Understanding this publication	3
Overview of tax incentives.....	5
Chapter 1 – Aerospace Industry	7
Aerospace computer, software and peripheral sales and use tax exemption	7
Aerospace FAR part 145 repair station reduced business and occupation tax rate	10
Aerospace manufacturers reduced business and occupation tax rates	13
Aerospace preproduction expenditures business and occupation tax credit	16
Aerospace product development reduced business and occupation tax rate	19
Aerospace property and leasehold taxes business and occupation tax credit	22
Chapter 2 – Agriculture Industry	25
Agricultural crop protection products hazardous substance tax exemption	25
Agricultural sales and use tax deferral	26
Dairy product manufacturers business and occupation tax deduction	27
Fruit and vegetable processors business and occupation tax exemption	28
Seafood processors business and occupation tax exemption	30
Chapter 3 – Employer Credit Programs	31
Customized employment training business and occupation tax credit	31
Veteran employer business and occupation tax credit	34
Chapter 4 – General Manufacturing Industry	37
High unemployment county sales and use tax deferral	37
Manufacturers sales and use tax deferral	40
Rural county sales and use tax deferral	43
Chapter 5 – High Technology Industry	44
Biotechnology sales and use tax deferral	44
Data center sales and use tax exemption	46
High technology sales and use tax deferral	49
Public research institution equipment sales and use tax exemption	51
Chapter 6 – Renewable Energy Industry.....	52
Renewable energy equipment sales and use tax exemption (by facility)	52
Renewable energy light and power business public utility tax credit	54
Solar energy systems manufacturers or wholesalers reduced B&O tax rates	56

Chapter 7 – Timber Industry	59
Hog fuel sales and use tax exemption (by facility)	59
Timber and wood products reduced business and occupation tax rates	61
Chapter 8 – Other Programs	63
Government funded mental health services business and occupation tax deduction	63
Newspaper reduced business and occupation tax rate.....	64
Tribal owned property used for economic development.....	66
Washington Filmworks contributors business and occupation tax credit.....	67

Executive Summary

The Revised Code of Washington (RCW 82.32.534) requires the Department of Revenue (Department) to summarize data from the annual tax performance report for select tax incentive programs by December 31. Taxpayers (participants) must file their report by May 31 for incentives claimed the preceding year. Prior to the due date, the Department makes a concerted effort to remind known participants of their filing requirement(s). Participants submitting their report after the due date may qualify for an extension. If they do not qualify for an extension, they must pay back a portion of the incentive claimed. The Department included late filings in our analysis since the participant received a portion of the incentive.

Beginning January 1, 2018, the annual tax performance report replaced the previously required annual survey and report. The new report requires all participants to provide the tax incentive amount as well as employment data. Participants report Washington employment data in two separate tables. The first table represents employment and wages for the entire calendar year. The second table represents the annual employment and wages based on those employed as of December 31 of the year covered by this report. To simplify reporting, participants can authorize the Department to obtain employment information directly from the Employment Security Department for the first table. Based on the incentive selected, the electronic report may present additional questions relating to employment and incentive activity.

This is the second year that participants have filed the new annual tax performance report. During the review process, the Department contacted select participants to verify answers and continue educating them about the new report. This publication represents information provided by participants and corrections made during the Department's review. This report reflects 48 tax incentive programs for activities occurring in Calendar Year 2019. The summarized data with corrections is as of October 27, 2020.

2019 Incentive Highlights

Most participants by incentive program

Number of participants

Timber industry reduced business and occupation (B&O) tax rate	608
Aerospace manufacturing reduced B&O tax rate	376
Fruit and vegetable processors B&O tax exemption	257
Aerospace product development reduced B&O tax rate	132

Largest revenue impact by incentive program

Tax saved (millions)

High technology sales and use tax deferral	\$385
Aerospace manufacturing reduced B&O tax rate	\$83
Aerospace preproduction expenditures B&O tax credit	\$70
Renewable energy light and power business public utility tax credit	\$50

Washington employment by incentive program as of December 31, 2019

Number of jobs

High technology sales and use tax deferral	230,931
Data center sales and use tax exemption	163,060
Aerospace manufacturing incentives	101,608
Aerospace preproduction expenditures B&O tax credit	80,235

Incentives with no annual tax performance report filed for 2019

- Aerospace FAR part 145 repair station sales and use tax exemption,
- Aerospace leasehold tax exemption for superefficient airplane manufacturers,
- Aerospace personal property tax exemption for superefficient airplane manufacturers,
- Aluminum smelters use tax exemption for compressed/liquefied natural gas, and
- Corporate headquarters facilities sales and use tax deferral.

Incentives – confidential taxpayer information

Fewer than three taxpayers utilized each of the incentives below; therefore, the Department excluded these incentives from this publication due to restrictions on the disclosure of confidential taxpayer information.

- Aerospace manufacturing site sales and use tax exemption,
- Aluminum smelters property tax B&O tax credit,
- Aluminum smelters reduced B&O tax rate,
- Aluminum smelters sales and use tax credit,
- Electrolytic processing industry tax incentives,
- Gas distribution business sales and use tax exemption,
- Semiconductor manufacturers reduced B&O rate,
- Semiconductor sales and use tax exemption,
- Solar energy systems manufacturers or processors sales and use tax exemption,
- Standard financial information sales and use tax exemption, and
- Veteran employer public utility tax credit.

The rest of this publication provides detailed information by incentive program.

Understanding this publication

Combining data

Participants can file multiple incentives on one annual tax performance report. The employee count for each report represents the total employees in Washington for the participant and not by incentive. Therefore, each incentive filed by the participant will have the same employee count throughout this publication. As a result, adding the employee counts for multiple incentives may overstate the number of employees.

Incentive amounts

Participants declare tax savings on the report. The tax savings calculations differ by incentive type as listed below:

- Credits taken against B&O tax,
- Deductions or exemptions from B&O tax,
- Deferrals or exemptions from sales and use tax, or
- Preferential B&O tax rates, for which the participant reports the difference in tax liability between the preferred and general rates.

Deferral programs

For the sales and use tax deferral programs, the revenue reflects total state and local tax deferred for each qualified project. Participants declare the total amount for eight years, starting the year after the project is operationally complete. Therefore, adding the total deferral amounts for each year will result in overstated deferred amounts.

Data tables

This report presents five tables for each incentive.

- The first table reflects the incentive amounts and number of participants by employment size.
- The second and third tables represent the annual employment data for the calendar year.
- The fourth and fifth tables summarize the annual employment data for employees employed on December 31, 2019.

Ten incentives have three additional employment tables.

- The sixth table displays the employee count and percentage by occupation.
- The seventh table provides the percentage of employees by employment status and occupation class.
- The eighth table lists the percent distribution of employees by occupation and hourly wage table.

The totals in the tables may not add to 100 percent or may be slightly more than 100 percent due to rounding. The high technology sales and use tax deferral and the public institution sales and use tax exemption declare tax incentive savings in each high technology category.

Employment Data Used to Group Participants

The annual tax performance report requests employment data for the entire calendar year and employment data as of December 31. Employment data for the calendar year has the same or more employees than the amount reported as of December 31. This report groups participants by total employees as of December 31. Incentives with more employees in the entire calendar year than employees on December 31 may create some disparity between employment size and total number of employees in the data tables.

Overview of tax incentives for Calendar Year 2019

Tax incentives by major industry	Participants	Total jobs ¹	Tax savings
Aerospace			
Computer, software and peripheral sales and use tax exemption	20	74,440	\$8,657,425
FAR Part 145 station reduced B&O tax rate	37	4,977	\$694,927
Manufacturers reduced B&O tax rates	376	101,608	\$82,857,076
Manufacturing site sales and use tax exemption ²	CTI	CTI	CTI
Preproduction expenditures B&O tax credit	62	80,235	\$70,407,579
Product development reduced B&O tax rate	132	6,069	\$2,157,646
Property and leasehold taxes B&O tax credit	27	79,887	\$34,911,340
Agricultural products			
Agricultural crop protection products hazardous substance tax exemption	4	709	\$312,004
Agricultural sales and use tax deferral	31	12,495	\$22,402,533
Dairy products manufacturers B&O tax exemption	28	2,646	\$5,586,782
Fruit and vegetable processors B&O tax exemption	257	20,303	\$18,035,453
Seafood processors B&O tax exemption	35	4,152	\$3,174,332
Employer credits			
Customized employment training B&O tax credit	14	3,279	\$101,188
Veteran employer B&O tax credit	26	1,794	\$54,879
Veteran employer PUT credit ²	CTI	CTI	CTI
General manufacturing			
High unemployment sales and use tax deferrals	61	13,588	\$27,703,555
Manufacturers sales and use tax deferral	4	364	\$1,638,834
Rural county sales and use tax deferral	11	1,967	\$14,670,395
High technology and computing			
Biotechnology sales and use tax deferral	7	739	\$2,818,438
Data center sales and use tax exemption	18	163,060	\$42,164,677
High technology sales and use tax deferral	71	230,931	\$384,969,202
Public research institution equipment sales and use tax exemption	3	44,780	\$5,286,334
Renewable energy			
Renewable energy equipment sales and use tax exemption	3	22	\$6,226,340
Renewable energy light and power business PUT credit	47	12,723	\$49,787,907
Solar energy systems manufacturers or wholesalers reduced B&O tax rate	7	335	\$138,772
Solar energy systems sales and use tax exemption ²	CTI	CTI	CTI
Timber			
Hog fuel sales and use tax exemption	13	5,545	\$2,522,054
Timber and wood products reduced B&O tax rate	608	19,386	\$13,750,521

¹Total jobs as of December 31, 2019.

²Fewer than three participants; therefore, confidential taxpayer information (CTI).

Overview of tax incentives for Calendar Year 2019 (continued)

Tax incentives by major industry	Participants	Total jobs ¹	Tax savings
Other programs			
Aluminum smelters property tax B&O tax credit ²	CTI	CTI	CTI
Aluminum smelters reduced B&O tax rate ²	CTI	CTI	CTI
Aluminum smelters sales and use tax credit ²	CTI	CTI	CTI
Electrolytic processing industry incentives ²	CTI	CTI	CTI
Gas distribution business sales and use tax exemption ²	CTI	CTI	CTI
Government funded mental health services deduction	3	218	\$679,154
Newspaper reduced B&O tax rate	77	26,976	\$516,498
Semiconductor manufacturers reduced B&O tax rate ²	CTI	CTI	CTI
Semiconductor sales and use tax exemption ²	CTI	CTI	CTI
Standard financial information sales and use tax exemption ²	CTI	CTI	CTI
Tribal owned property used for economic development	3	9,085	\$691,919
Washington Filmworks contributors B&O tax credit	14	16,855	\$3,500,000

¹Total jobs as of December 31, 2019.

²Fewer than three participants; therefore, confidential taxpayer information (CTI).

Chapter 1 – Aerospace Industry

Ten aerospace industry incentives require participants to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

Aerospace computer, software, and peripherals sales and use tax exemption

Computer hardware, software, and peripherals used primarily to develop, design, or engineer aerospace products or provide aerospace services are exempt from retail sales and use tax. Any charge for labor and services rendered in respect to the installation of the equipment is also exempt. This exemption expires July 1, 2040. (RCW 82.08.975; RCW 82.12.975)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	10	\$106,223
50 or more	13	8,551,202
Total	23	\$8,657,425

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	81	60.5%	39.5%
50 or more	74,670	99.1%	0.9%
Total	74,751	99.1%	0.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$7,544,917	89.2%	10.8%
50 or more	9,321,283,214	99.8%	0.2%
Total	\$9,328,828,131	99.8%	0.2%

Aerospace computer, software, and peripherals sales and use tax exemption (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	64	96.9%	3.1%	0.0%
50 or more	74,376	99.7%	0.2%	0.2%
Total	74,440	99.7%	0.2%	0.2%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$6,815,843	99.2%	0.8%	0.0%
50 or more	9,316,041,695	99.9%	0.1%	0.0%
Total	\$9,322,857,538	99.9%	0.1%	0.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	6,540	8.8%
Business, financial, and legal operations	5,694	7.6%
Computer, math, architect, and engineer	20,410	27.4%
Life, physical, and social science	179	0.2%
Community and social services	0	0.0%
Education, training, and library	151	0.2%
Healthcare practitioners, tech., and sup.	66	0.1%
Protective svc., building, and maint.	1,134	1.5%
Sales and service	379	0.5%
Office and administrative support	2,016	2.7%
Construction and extraction	111	0.1%
Installation, maintenance, and repair	3,789	5.1%
Prod., non-construct. trades, and craft	30,776	41.3%
Transportation and material moving	1,393	1.9%
Other	1,802	2.4%
Total	74,440	100.0%

Aerospace computer, software, and peripherals sales and use tax exemption (continued)

.Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	99.8%	0.2%	0.0%
Computer, math, architect, and engineer	99.5%	0.5%	0.0%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	94.0%	6.0%	0.0%
Healthcare practitioners, tech., and sup.	100.0%	0.0%	0.0%
Protective svc., building, and maint.	99.9%	0.1%	0.0%
Sales and service	99.7%	0.3%	0.0%
Office and administrative support	99.3%	0.7%	0.0%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	99.7%	0.3%	0.0%
Prod., non-construct. trades, and craft	99.8%	0.2%	0.0%
Transportation and material moving	98.3%	1.7%	0.0%
Other	99.8%	0.2%	0.0%
Total	99.7%	0.3%	0.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	0.0%	2.2%	97.8%
Business, financial, and legal operations	0.0%	0.0%	0.5%	1.9%	42.6%	54.9%
Computer, math, architect, and engineer	0.0%	0.0%	0.3%	2.2%	27.9%	69.5%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	55.3%	44.7%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	6.0%	6.0%	0.0%	0.7%	29.1%	58.3%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	12.1%	59.1%	28.8%
Protective svc., building, and maint.	1.3%	17.2%	8.3%	3.9%	51.2%	18.1%
Sales and service	0.0%	0.5%	2.1%	2.6%	15.6%	79.2%
Office and administrative support	0.0%	1.7%	2.0%	7.0%	54.7%	34.6%
Construction and extraction	0.0%	11.7%	13.5%	1.8%	73.0%	0.0%
Installation, maintenance, and repair	0.0%	0.7%	1.3%	4.7%	92.5%	0.8%
Prod., non-construct. trades, and craft	0.6%	10.3%	21.0%	3.7%	62.1%	2.3%
Transportation and material moving	2.5%	4.0%	6.4%	3.3%	69.8%	13.9%
Other	0.0%	0.0%	0.2%	1.6%	41.3%	56.9%
Total	0.3%	4.7%	9.2%	2.9%	46.5%	36.4%

Aerospace FAR Part 145 repair stations reduced B&O tax rate

Qualified aircraft repair facilities certified by the Federal Aviation Administration as a “FAR Part 145” repair facility receive a reduced B&O tax rate of 0.2904 percent. Without the preferential rate, these businesses would be subject to the 0.484 percent rate applicable to the retailing of interstate transportation equipment. The preferred B&O tax rate expires July 1, 2040. (RCW 82.04.250)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	23	\$110,513
50 to 250	9	258,294
More than 250	5	326,120
Total	37	\$694,927

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	399	61.9%	38.1%
50 to 250	1,420	62.2%	37.8%
More than 250	3,576	78.7%	21.3%
Total	5,395	73.1%	26.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$21,608,286	78.7%	21.3%
50 to 250	68,088,091	85.1%	14.9%
More than 250	271,364,029	89.6%	10.4%
Total	\$361,060,406	88.1%	11.9%

Aerospace FAR Part 145 repair stations reduced B&O tax rate (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	314	95.5%	4.5%	0.0%
50 to 250	1,217	99.3%	0.7%	0.0%
More than 250	3,446	93.8%	0.3%	6.0%
Total	4,977	95.2%	0.6%	4.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$15,032,269	98.5%	1.5%	0.0%
50 to 250	60,954,501	99.8%	0.2%	0.0%
More than 250	269,272,711	92.8%	3.4%	3.8%
Total	\$345,259,481	94.3%	2.8%	3.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	404	8.1%
Business, financial, and legal operations	267	5.4%
Computer, math, architect, and engineer	940	18.9%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	2	0.0%
Healthcare practitioners, tech., and sup.	0	0.0%
Protective svc., building, and maint.	48	1.0%
Sales and service	128	2.6%
Office and administrative support	352	7.1%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	1,390	27.9%
Prod., non-construct. trades, and craft	1,255	25.2%
Transportation and material moving	189	3.8%
Other	2	0.0%
Total	4,977	100.0%

Aerospace FAR Part 145 repair stations reduced B&O tax rate (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	92.1%	7.9%	0.0%
Computer, math, architect, and engineer	97.7%	0.9%	1.5%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	97.7%	2.3%	0.0%
Office and administrative support	94.0%	6.0%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	98.8%	1.2%	0.0%
Prod., non-construct. trades, and craft	87.9%	12.1%	0.0%
Transportation and material moving	100.0%	0.0%	0.0%
Other	100.0%	0.0%	0.0%
Total	95.3%	4.4%	0.3%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.2%	0.0%	0.7%	3.2%	30.0%	65.8%
Business, financial, and legal operations	0.0%	0.7%	6.4%	26.2%	44.2%	22.5%
Computer, math, architect, and engineer	0.1%	2.0%	3.5%	9.0%	42.8%	42.6%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	22.9%	20.8%	27.1%	27.1%	2.1%
Sales and service	0.0%	3.9%	8.6%	9.4%	31.3%	46.9%
Office and administrative support	4.3%	19.3%	29.3%	21.3%	23.9%	2.0%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	9.6%	27.6%	16.3%	20.3%	26.0%	0.1%
Prod., non-construct. trades, and craft	3.2%	33.6%	26.1%	25.7%	11.1%	0.3%
Transportation and material moving	2.1%	51.3%	20.6%	10.1%	13.2%	2.6%
Other	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Total	3.9%	20.3%	15.5%	17.9%	26.3%	16.2%

Aerospace manufacturers reduced B&O tax rates

Manufacturers of commercial airplanes or components of commercial airplanes, as well as tooling used in the production of commercial aircraft, receive a preferential B&O tax rate of 0.2904 percent until March 31, 2020. Beginning April 1, 2020, B&O tax rates revert to 0.484 percent for manufacturing and wholesaling and 0.471 percent for retailing. After March 31, 2021, the B&O rates decrease to 0.357 percent under certain conditions. (RCW 82.04.260(11))

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	262	\$3,967,702
50 to 250	83	\$4,737,220
More than 250	34	74,152,155
Total	379	\$82,857,076

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	2,692	63.4%	36.6%
50 to 250	12,617	64.8%	35.2%
More than 250	91,527	93.5%	6.5%
Total	106,836	89.3%	10.7%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarter	Employees who worked less than four quarters
Less than 50	\$140,844,547	86.0%	14.0%
50 to 250	\$631,097,788	84.2%	15.8%
More than 250	\$10,321,266,476	98.5%	1.5%
Total	\$11,093,208,811	97.5%	2.5%

Aerospace manufacturers reduced B&O tax rates (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	2,093	94.5%	5.3%	0.2%
50 to 250	10,123	97.7%	1.6%	0.7%
More than 250	89,392	99.3%	0.3%	0.4%
Total	101,608	99.1%	0.5%	0.5%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$126,559,481	97.9%	2.1%	0.0%
50 to 250	577,663,369	99.3%	0.6%	0.2%
More than 250	10,252,300,528	99.7%	0.1%	0.2%
Total	\$10,956,523,378	99.7%	0.1%	0.2%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	8,127	8.0%
Business, financial, and legal operations	6,608	6.5%
Computer, math, architect, and engineer	23,179	22.8%
Life, physical, and social science	250	0.2%
Community and social services	0	0.0%
Education, training, and library	166	0.2%
Healthcare practitioners, tech., and sup.	98	0.1%
Protective svc., building, and maint.	1,269	1.2%
Sales and service	1,099	1.1%
Office and administrative support	3,832	3.8%
Construction and extraction	152	0.1%
Installation, maintenance, and repair	4,531	4.5%
Product., non-constr. trades, and craft	47,630	46.9%
Transportation and material moving	1,836	1.8%
Other	2,831	2.8%
Total	101,608	100.0%

Aerospace manufacturers reduced B&O tax rates (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	99.8%	0.2%	0.0%
Business, financial, and legal operations	99.3%	0.7%	0.0%
Computer, math, architect, and engineer	99.3%	0.6%	0.1%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	94.6%	5.4%	0.0%
Healthcare practitioners, tech., and sup.	100.0%	0.0%	0.0%
Protective svc., building, and maint.	99.4%	0.6%	0.0%
Sales and service	98.4%	1.5%	0.1%
Office and administrative support	97.9%	2.1%	0.0%
Construction and extraction	99.3%	0.7%	0.0%
Installation, maintenance, and repair	99.4%	0.6%	0.0%
Product., non-constr. trades, and craft	98.9%	1.1%	0.0%
Transportation and material moving	98.5%	1.5%	0.0%
Other	99.8%	0.2%	0.0%
Total	99.1%	0.9%	0.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.1%	0.3%	0.7%	9.9%	89.0%
Business, financial, and legal operations	0.0%	0.6%	2.0%	4.8%	42.4%	50.2%
Computer, math, architect, and engineer	0.0%	0.2%	0.5%	3.1%	31.3%	64.9%
Life, physical, and social science	0.0%	1.2%	7.2%	14.0%	44.4%	33.2%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	5.4%	6.6%	2.4%	3.0%	28.9%	53.6%
Healthcare practitioners, tech., and sup.	0.0%	3.1%	4.1%	18.4%	53.1%	21.4%
Protective svc., building, and maint.	1.6%	17.7%	9.5%	6.0%	49.0%	16.2%
Sales and service	0.6%	4.2%	7.5%	10.1%	31.8%	45.9%
Office and administrative support	1.5%	10.2%	12.3%	14.6%	41.4%	20.0%
Construction and extraction	0.0%	9.2%	17.1%	7.2%	66.4%	0.0%
Installation, maintenance, and repair	2.6%	3.1%	4.5%	8.1%	81.6%	0.2%
Product., non-constr. trades, and craft	2.7%	19.8%	22.6%	9.0%	44.1%	1.7%
Transportation and material moving	3.9%	13.7%	8.8%	6.7%	55.7%	11.2%
Other	0.6%	17.3%	11.0%	8.5%	26.5%	36.2%
Total	1.6%	10.9%	12.2%	6.8%	39.6%	28.9%

Aerospace preproduction expenditures B&O tax credit

Businesses engaged in aerospace product development are eligible for a B&O tax credit equal to 1.5 percent of qualified expenditures. Qualified expenditures include research, design, and engineering costs incurred in the development of aerospace products. Qualified expenditures exclude actual production-related costs. Commercial airplane and component manufacturers are eligible for the credit on expenditures incurred after December 1, 2003. Others are eligible for the credit on expenditures incurred after June 30, 2008. This credit expires July 1, 2040. (RCW 82.04.4461)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	36	\$431,383
50 to 250	17	746,973
More than 250	9	69,229,223
Total	62	\$70,407,579

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked all four quarters
Less than 50	396	59.1%	40.9%
50 to 250	2,689	68.0%	32.0%
More than 250	78,479	97.7%	2.3%
Total	81,564	96.5%	3.5%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked all four quarters
Less than 50	\$35,231,413	83.1%	16.9%
50 to 250	166,009,736	85.5%	14.5%
More than 250	9,585,329,843	99.4%	0.6%
Total	\$9,786,570,992	99.1%	0.9%

Aerospace preproduction expenditures B&O tax credit (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	310	96.1%	3.2%	0.6%
50 to 250	2,145	98.2%	1.2%	0.6%
More than 250	77,780	99.7%	0.2%	0.1%
Total	80,235	99.7%	0.2%	0.1%

Percent of wages by employment status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	\$32,714,076	98.8%	0.6%	0.6%
50 to 250	152,722,112	99.3%	0.6%	0.1%
More than 250	9,565,212,492	99.8%	0.2%	0.0%
Total	\$9,750,648,680	99.8%	0.2%	0.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	7,002	8.7%
Business, financial, and legal operations	5,805	7.2%
Computer, math, architect, and engineer	21,397	26.7%
Life, physical, and social science	182	0.2%
Community and social services	0	0.0%
Education, training, and library	129	0.2%
Healthcare practitioners, tech., and sup.	66	0.1%
Protective svc., building, and maint.	1,176	1.5%
Sales and service	512	0.6%
Office and administrative support	2,425	3.0%
Construction and extraction	135	0.2%
Installation, maintenance, and repair	4,545	5.7%
Prod., non-construct. trades, and craft	33,549	41.8%
Transportation and material moving	1,510	1.9%
Other	1,802	2.2%
Total	80,235	100.0%

Aerospace preproduction expenditures B&O tax credit (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	99.9%	0.1%	0.0%
Business, financial, and legal operations	99.7%	0.3%	0.0%
Computer, math, architect, and engineer	99.4%	0.5%	0.1%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	100.0%	0.0%	0.0%
Protective svc., building, and maint.	99.8%	0.2%	0.0%
Sales and service	98.4%	1.6%	0.0%
Office and administrative support	99.1%	0.9%	0.0%
Construction and extraction	99.3%	0.7%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	99.8%	0.2%	0.0%
Transportation and material moving	99.9%	0.1%	0.0%
Other	99.8%	0.2%	0.0%
Total	99.7%	0.3%	0.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	0.1%	4.6%	95.4%
Business, financial, and legal operations	0.0%	0.1%	0.7%	2.4%	42.5%	54.3%
Computer, math, architect, and engineer	0.0%	0.1%	0.2%	2.3%	28.2%	69.2%
Life, physical, and social science	0.0%	0.0%	0.5%	1.1%	54.4%	44.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	32.6%	67.4%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	12.1%	59.1%	28.8%
Protective svc., building, and maint.	1.1%	17.2%	9.2%	4.5%	50.6%	17.4%
Sales and service	0.0%	2.3%	2.7%	3.1%	19.3%	72.5%
Office and administrative support	0.3%	3.3%	5.4%	9.0%	52.0%	30.1%
Construction and extraction	0.0%	9.6%	14.8%	5.9%	69.6%	0.0%
Installation, maintenance, and repair	0.4%	5.3%	3.9%	7.4%	82.2%	0.7%
Prod., non-construct. trades, and craft	0.2%	13.5%	21.3%	4.7%	58.1%	2.2%
Transportation and material moving	0.6%	9.9%	7.7%	4.0%	65.0%	12.8%
Other	0.0%	0.0%	0.2%	1.6%	41.3%	56.9%
Total	0.2%	6.5%	9.7%	3.7%	44.9%	35.0%

Aerospace product development reduced B&O tax rate

Businesses developing aerospace products for others pay a preferential B&O tax rate of 0.9 percent, rather than the general services rate of 1.5 percent. The preferential rate expires on July 1, 2040. (RCW 82.04.290)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	114	\$495,270
50 to 250	10	543,821
More than 250	8	1,118,555
Total	132	\$2,157,646

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	587	57.2%	42.8%
50 to 250	1,226	67.1%	32.9%
More than 250	4,639	65.3%	34.7%
Total	6,452	64.9%	35.1%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarter	Employees who worked less than four quarters
Less than 50	\$47,183,425	82.3%	17.7%
50 to 250	99,671,420	84.6%	15.4%
More than 250	322,676,341	80.0%	20.0%
Total	\$469,531,186	81.2%	18.8%

Aerospace product development reduced B&O tax rate (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	501	94.6%	4.2%	1.2%
50 to 250	1,065	92.1%	7.7%	0.2%
More than 250	4,503	86.3%	1.1%	12.7%
Total	6,069	88.0%	2.5%	9.5%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$44,119,438	98.3%	1.0%	0.7%
50 to 250	96,507,157	96.5%	3.5%	0.0%
More than 250	313,725,242	91.3%	3.6%	5.1%
Total	\$454,351,837	93.1%	3.3%	3.6%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	416	6.9%
Business, financial, and legal operations	187	3.1%
Computer, math, architect, and engineer	2,196	36.2%
Life, physical, and social science	7	0.1%
Community and social services	0	0.0%
Education, training, and library	0	0.0%
Healthcare practitioners, tech., and sup.	0	0.0%
Protective svc., building, and maint.	54	0.9%
Sales and service	503	8.3%
Office and administrative support	327	5.4%
Construction and extraction	27	0.4%
Installation, maintenance, and repair	870	14.3%
Prod., non-constr. trades, and craft	1,297	21.4%
Transportation and material moving	183	3.0%
Other	2	0.0%
Total	6,069	100.0%

Aerospace product development reduced B&O tax rate (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	99.5%	0.5%	0.0%
Business, financial, and legal operations	94.1%	5.9%	0.0%
Computer, math, architect, and engineer	95.6%	4.2%	0.2%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	99.4%	0.6%	0.0%
Office and administrative support	91.4%	8.6%	0.0%
Construction and extraction	96.3%	3.7%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-constr. trades, and craft	87.0%	13.0%	0.0%
Transportation and material moving	100.0%	0.0%	0.0%
Other	100.0%	0.0%	0.0%
Total	94.9%	5.1%	0.1%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.2%	0.0%	0.2%	0.2%	23.8%	75.5%
Business, financial, and legal operations	0.5%	3.7%	5.3%	9.1%	48.7%	32.6%
Computer, math, architect, and engineer	0.2%	1.1%	1.5%	2.9%	36.7%	57.6%
Life, physical, and social science	0.0%	0.0%	71.4%	14.3%	0.0%	14.3%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	16.7%	22.2%	25.9%	33.3%	1.9%
Sales and service	12.3%	20.7%	12.3%	7.6%	27.4%	19.7%
Office and administrative support	2.1%	15.0%	10.4%	22.0%	37.6%	12.8%
Construction and extraction	0.0%	0.0%	18.5%	22.2%	59.3%	0.0%
Installation, maintenance, and repair	2.0%	26.0%	12.2%	17.9%	38.4%	3.6%
Prod., non-constr. trades, and craft	1.2%	25.4%	24.4%	28.6%	19.1%	1.2%
Transportation and material moving	2.2%	50.8%	20.8%	10.4%	13.1%	2.7%
Other	0.0%	50.0%	0.0%	0.0%	0.0%	50.0%
Total	1.8%	13.9%	10.2%	12.5%	31.3%	30.2%

Aerospace property and leasehold excise taxes B&O tax credit

Manufacturers of commercial airplanes or commercial airplane components qualify for a B&O tax credit for state and local property taxes paid on land and buildings constructed after December 1, 2003, and used exclusively to manufacture commercial airplanes or components. The credit is also available for leasehold excise taxes paid on land and buildings constructed after January 1, 2006, and used exclusively for the same purposes.

Manufacturers of tooling specifically designed for use in manufacturing commercial airplanes, persons providing aerospace product development, and persons providing aerospace services qualify for a B&O tax credit for state and local property or leasehold excise taxes paid on land and buildings constructed after June 30, 2008. These credits expire July 1, 2040. (RCW 82.04.4463)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	4	\$47,500
50 to 250	13	521,676
More than 250	10	34,342,163
Total	27	\$34,911,340

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	173	41.0%	59.0%
50 to 250	1,964	60.2%	39.8%
More than 250	79,156	97.3%	2.7%
Total	81,293	96.3%	3.7%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$5,680,674	67.0%	33.0%
50 to 250	94,181,787	81.7%	18.3%
More than 250	9,563,445,207	99.6%	0.4%
Total	\$9,663,307,668	99.4%	0.6%

Aerospace property and leasehold excise taxes B&O tax credit (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	90	95.6%	4.4%	0.0%
50 to 250	1,438	97.6%	1.4%	1.0%
More than 250	78,359	99.8%	0.2%	0.1%
Total	79,887	99.7%	0.2%	0.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$4,024,202	98.2%	1.8%	0.0%
50 to 250	82,007,107	99.3%	0.4%	0.3%
More than 250	9,543,752,845	99.9%	0.1%	0.0%
Total	\$9,629,784,154	99.9%	0.1%	0.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	6,839	8.6%
Business, financial, and legal operations	5,805	7.3%
Computer, math, architect, and engineer	20,274	25.4%
Life, physical, and social science	243	0.3%
Community and social services	0	0.0%
Education, training, and library	133	0.2%
Healthcare practitioners, tech., and sup.	90	0.1%
Protective svc., building, and maint.	1,143	1.4%
Sales and service	430	0.5%
Office and administrative support	2,370	3.0%
Construction and extraction	108	0.1%
Installation, maintenance, and repair	3,927	4.9%
Prod., non-constr. trades, and craft	35,339	44.2%
Transportation and material moving	1,384	1.7%
Other	1,802	2.3%
Total	79,887	100.0%

Aerospace property and leasehold excise taxes B&O tax credit (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	99.7%	0.3%	0.0%
Computer, math, architect, and engineer	99.5%	0.4%	0.1%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	100.0%	0.0%	0.0%
Protective svc., building, and maint.	99.8%	0.2%	0.0%
Sales and service	99.1%	0.9%	0.0%
Office and administrative support	99.2%	0.8%	0.0%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	99.9%	0.1%	0.0%
Prod., non-constr. trades, and craft	99.8%	0.2%	0.0%
Transportation and material moving	99.9%	0.1%	0.0%
Other	99.8%	0.2%	0.0%
Total	99.7%	0.3%	0.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	0.1%	5.4%	94.5%
Business, financial, and legal operations	0.0%	0.2%	0.7%	2.5%	42.1%	54.5%
Computer, math, architect, and engineer	0.0%	0.0%	0.1%	2.3%	27.9%	69.7%
Life, physical, and social science	0.0%	1.2%	5.3%	14.0%	45.7%	33.7%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	1.5%	33.1%	65.4%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	20.0%	57.8%	22.2%
Protective svc., building, and maint.	1.1%	17.1%	8.4%	4.3%	51.1%	17.9%
Sales and service	0.0%	1.4%	2.1%	2.1%	15.8%	78.6%
Office and administrative support	0.5%	2.0%	5.2%	12.6%	50.4%	29.3%
Construction and extraction	0.0%	12.0%	13.9%	1.9%	72.2%	0.0%
Installation, maintenance, and repair	0.0%	0.7%	2.4%	6.2%	90.7%	0.0%
Prod., non-constr. trades, and craft	0.3%	14.3%	21.9%	6.3%	55.2%	2.0%
Transportation and material moving	0.8%	4.8%	6.3%	3.8%	70.3%	14.0%
Other	0.0%	0.0%	0.2%	1.6%	41.3%	56.9%
Total	0.2%	6.8%	10.3%	4.5%	44.3%	33.9%

Chapter 2 - Agriculture Industry

Five agriculture industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

Agricultural crop protection products hazardous substance tax exemption

Pesticides or insecticides intended for agricultural crop protection by farmers or certified applicators are exempt from the state hazardous substance tax. The pesticides or insecticides must be warehoused in Washington, or transported to or from the state without being used in the state. The products cannot be packaged, repackaged, or manufactured in the state. (RCW 82.21.040)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 600	4	\$312,004
Total	4	\$312,004

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	774	64.5%	35.5%
Total	774	64.5%	35.5%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	\$48,757,877	79.9%	20.1%
Total	\$48,757,877	79.9%	20.1%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	709	91.0%	8.3%	0.7%
Total	709	91.0%	8.3%	0.7%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$47,428,436	97.8%	2.0%	0.2%
Total	\$47,428,436	97.8%	2.0%	0.2%

Agricultural sales and use tax deferral

Participants who process fresh fruit and vegetables, operate cold storage warehouses for storing such products, engage in research and development (R&D) activities related to processing of such products, or manufacture dairy products or seafood products are eligible for a deferral and waiver of sales and use taxes on investment projects. The deferral applies to construction or expansion of eligible facilities or acquisition of new equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2012. (RCW 82.74)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	20	\$13,501,796
More than 250	11	8,900,736
Total	31	\$22,402,533

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	6,754	22.7%	77.3%
More than 250	21,096	51.4%	48.6%
Total	27,850	44.5%	55.5%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$113,766,820	67.2%	32.8%
More than 250	611,262,008	72.9%	27.1%
Total	\$725,028,828	72.0%	28.0%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	1,553	90.9%	6.9%	2.2%
More than 250	10,942	95.1%	4.5%	0.4%
Total	12,495	94.6%	4.8%	0.6%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$58,507,933	97.0%	2.6%	0.4%
More than 250	461,479,002	97.8%	2.1%	0.1%
Total	\$519,986,935	97.7%	2.2%	0.1%

Dairy product manufacturers B&O tax deduction

Manufacturers and wholesalers of dairy products and by-products are exempt from the manufacturing and wholesaling B&O tax rate of 0.484 percent. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items becomes taxable under the preferential B&O tax rate of 0.138 percent. (RCW 82.04.4268)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	18	\$49,771
50 or more	11	5,537,011
Total	29	\$5,586,782

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	188	47.3%	52.7%
50 or more	2,792	70.9%	29.1%
Total	2,980	69.4%	30.6%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$3,140,606	76.7%	23.3%
50 or more	147,798,829	87.1%	12.9%
Total	\$150,939,435	86.9%	13.1%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	117	43.6%	54.7%	1.7%
50 or more	2,529	90.0%	8.3%	1.7%
Total	2,646	88.0%	10.4%	1.7%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$2,877,628	63.5%	36.1%	0.4%
50 or more	147,566,503	97.0%	2.8%	0.2%
Total	\$150,444,131	96.4%	3.5%	0.2%

Fruit and vegetable processors B&O tax exemption

Manufacturers and wholesalers (selling for interstate transport) of canned, preserved, dehydrated, or frozen fruit or vegetable products are exempt from the manufacturing and wholesaling B&O tax rate of 0.484 percent. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items becomes taxable under the preferential B&O tax rate classification of 0.138 percent. (RCW 82.04.4266)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	207	\$1,143,047
50 to 250	33	3,211,997
More than 250	17	13,680,409
Total	257	\$18,035,453

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	4,451	34.2%	65.8%
50 to 250	9,086	25.8%	74.2%
More than 250	18,553	49.7%	50.3%
Total	32,090	40.8%	59.2%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$76,388,188	75.5%	24.5%
50 to 250	172,414,483	67.7%	32.3%
More than 250	629,383,376	84.9%	15.1%
Total	\$878,186,047	80.7%	19.3%

Fruit and vegetable processors B&O tax exemption (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	2,056	39.3%	55.1%	5.6%
50 to 250	3,162	71.3%	12.7%	15.9%
More than 250	15,085	76.4%	3.1%	20.5%
Total	20,303	71.8%	9.9%	18.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$52,531,705	81.3%	18.0%	0.7%
50 to 250	105,608,056	94.2%	2.9%	2.9%
More than 250	589,816,719	95.3%	1.5%	3.2%
Total	\$747,956,480	94.2%	2.8%	3.0%

Seafood processors B&O tax exemption

Manufacturers and wholesalers of seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing process are exempt from the manufacturing and wholesaling B&O tax of 0.484 percent. This exemption expires July 1, 2025. At that time, income from the manufacturing and wholesaling of these items becomes taxable under the preferential B&O tax rate of 0.138 percent. (RCW 82.04.4269)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	22	\$671,721
50 or more	13	2,502,611
Total	35	\$3,174,332

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	821	27.4%	72.6%
50 or more	5,030	59.9%	40.1%
Total	5,851	55.3%	44.7%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$14,305,628	74.3%	25.7%
50 or more	198,230,805	88.5%	11.5%
Total	\$212,536,433	87.5%	12.5%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	317	88.3%	11.4%	0.3%
50 or more	3,835	79.2%	4.9%	15.9%
Total	4,152	79.9%	5.4%	14.7%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$11,332,201	96.3%	3.7%	0.1%
50 or more	190,109,475	93.3%	1.7%	5.0%
Total	\$201,441,676	93.5%	1.8%	4.8%

Chapter 3 – Employer Credit Programs

There are three employer credit programs requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

Customized employment training B&O tax credit

A B&O tax credit is allowed for half of the costs of customized workforce training paid by employers to the State Board for Community Colleges. Businesses must use the credit by June 30, 2021. (RCW 82.04.449)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	10	\$63,651
More than 250	4	37,536
Total	14	\$101,188

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	1,514	64.6%	35.4%
More than 250	2,277	79.0%	21.0%
Total	3,791	73.3%	26.7%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$79,021,173	83.8%	16.2%
More than 250	143,302,120	91.7%	8.3%
Total	\$222,323,293	88.9%	11.1%

Customized employment training B&O tax credit (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	1,259	97.8%	0.5%	1.7%
More than 250	2,020	90.4%	9.2%	0.3%
Total	3,279	93.3%	5.9%	0.9%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$75,264,539	98.6%	0.1%	1.3%
More than 250	135,255,603	95.6%	4.3%	0.1%
Total	\$210,520,142	96.7%	2.8%	0.5%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	222	6.8%
Business, financial, and legal operations	172	5.2%
Computer, math, architect, and engineer	285	8.7%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	9	0.3%
Healthcare practitioners, tech., and sup.	488	14.9%
Protective svc., building, and maint.	49	1.5%
Sales and service	229	7.0%
Office and administrative support	169	5.2%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	41	1.3%
Prod., non-construct. trades, and craft	1,508	46.0%
Transportation and material moving	103	3.1%
Other	4	0.1%
Total	3,279	100.0%

Customized employment training B&O tax credit (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	97.7%	2.3%	0.0%
Business, financial, and legal operations	98.8%	1.2%	0.0%
Computer, math, architect, and engineer	97.2%	1.8%	1.1%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	77.8%	22.2%	0.0%
Healthcare practitioners, tech., and sup.	70.3%	29.5%	0.2%
Protective svc., building, and maint.	73.5%	24.5%	2.0%
Sales and service	92.6%	7.4%	0.0%
Office and administrative support	96.4%	3.6%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	98.7%	1.3%	0.0%
Transportation and material moving	99.0%	1.0%	0.0%
Other	100.0%	0.0%	0.0%
Total	93.3%	6.5%	0.2%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.5%	0.9%	2.7%	37.8%	58.1%
Business, financial, and legal operations	0.6%	1.2%	5.2%	35.5%	44.2%	13.4%
Computer, math, architect, and engineer	0.4%	3.5%	0.0%	18.6%	49.1%	28.4%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	33.3%	0.0%	55.6%	11.1%
Healthcare practitioners, tech., and sup.	3.5%	22.3%	9.8%	10.5%	36.9%	17.0%
Protective svc., building, and maint.	30.6%	42.9%	12.2%	8.2%	4.1%	2.0%
Sales and service	6.6%	19.2%	12.2%	24.0%	25.3%	12.7%
Office and administrative support	4.7%	20.1%	17.2%	26.6%	29.6%	1.8%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	7.3%	17.1%	24.4%	46.3%	4.9%
Prod., non-construct. trades, and craft	5.2%	38.6%	22.6%	15.9%	13.7%	4.0%
Transportation and material moving	0.0%	6.8%	22.3%	36.9%	28.2%	5.8%
Other	0.0%	0.0%	0.0%	25.0%	75.0%	0.0%
Total	4.1%	24.8%	15.1%	17.2%	26.0%	12.8%

Veteran employer B&O tax credit

Businesses that employ a previously unemployed veteran in a permanent full-time position in Washington for at least two consecutive calendar quarters on or after October 1, 2016, and before June 30, 2022, receive a B&O tax credit. The credit equals 20 percent of the wages and benefits the business paid to the qualified employee. The credit cannot exceed \$1,500 per qualified employee. Businesses may use the credit against B&O or public utility taxes, but not both. Statewide, the total credit may not exceed \$500,000 per fiscal year. Businesses receive credits on a first-in-time basis and can earn credits through June 30, 2022. Businesses must use the credit by June 30, 2023. (RCW 82.04.4498)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 10	12	\$17,261
10 or more	14	37,618
Total	26	\$54,879

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 10	52	75.0%	25.0%
10 or more	1,892	72.8%	27.2%
Total	1,944	72.9%	27.1%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 10	\$1,933,653	89.9%	10.1%
10 or more	93,588,264	80.7%	19.3%
Total	\$95,521,917	80.9%	19.1%

Veteran employer B&O tax credit (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 10	44	86.4%	13.6%	0.0%
10 or more	1,750	95.3%	4.6%	0.1%
Total	1,794	95.1%	4.8%	0.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 10	\$1,826,711	95.2%	4.8%	0.0%
10 or more	82,215,614	98.9%	1.1%	0.0%
Total	\$84,042,325	98.8%	1.2%	0.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	137	7.6%
Business, financial, and legal operations	11	0.6%
Computer, math, architect, and engineer	85	4.7%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	13	0.7%
Healthcare practitioners, tech., and sup.	1	0.1%
Protective svc., building, and maint.	78	4.3%
Sales and service	82	4.6%
Office and administrative support	107	6.0%
Construction and extraction	10	0.6%
Installation, maintenance, and repair	67	3.7%
Prod., non-construct. trades, and craft	1,142	63.7%
Transportation and material moving	60	3.3%
Other	1	0.1%
Total	1,794	100.0%

Veteran employer B&O tax credit (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	90.9%	9.1%	0.0%
Computer, math, architect, and engineer	95.3%	4.7%	0.0%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	53.8%	46.2%	0.0%
Healthcare practitioners, tech., and sup.	100.0%	0.0%	0.0%
Protective svc., building, and maint.	66.7%	33.3%	0.0%
Sales and service	96.3%	3.7%	0.0%
Office and administrative support	92.5%	7.5%	0.0%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	91.0%	9.0%	0.0%
Prod., non-construct. trades, and craft	99.7%	0.3%	0.0%
Transportation and material moving	86.7%	13.3%	0.0%
Other	100.0%	0.0%	0.0%
Total	96.4%	3.6%	0.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	2.9%	2.2%	14.6%	7.3%	46.7%	26.3%
Business, financial, and legal operations	9.1%	9.1%	0.0%	36.4%	27.3%	18.2%
Computer, math, architect, and engineer	0.0%	35.3%	22.4%	20.0%	16.5%	5.9%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	69.2%	30.8%	0.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Protective svc., building, and maint.	73.1%	26.9%	0.0%	0.0%	0.0%	0.0%
Sales and service	14.6%	20.7%	26.8%	13.4%	15.9%	8.5%
Office and administrative support	12.1%	38.3%	29.0%	6.5%	8.4%	5.6%
Construction and extraction	0.0%	20.0%	60.0%	10.0%	0.0%	10.0%
Installation, maintenance, and repair	7.5%	23.9%	22.4%	29.9%	7.5%	9.0%
Prod., non-construct. trades, and craft	31.5%	25.3%	20.8%	18.0%	4.4%	0.0%
Transportation and material moving	0.0%	8.3%	91.7%	0.0%	0.0%	0.0%
Other	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	25.3%	24.2%	22.8%	15.4%	8.8%	3.6%

Chapter 4 – General Manufacturing Industry

There are three general manufacturing industry incentives requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

High unemployment county sales and use tax deferral

Manufacturers investing in qualifying counties are eligible for a deferral of retail sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment for projects located in a county with high unemployment or in a Community Empowerment Zone (CEZ). The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2020. (RCW 82.60)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	23	\$3,809,942
50 to 250	28	17,020,367
More than 250	10	6,873,246
Total	61	\$27,703,555

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	968	58.4%	41.6%
50 to 250	4,136	65.2%	34.8%
More than 250	10,043	75.8%	24.2%
Total	15,147	71.8%	28.2%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$41,939,678	86.2%	13.8%
50 to 250	191,848,713	86.7%	13.3%
More than 250	680,319,503	89.2%	10.8%
Total	\$914,107,894	88.5%	11.5%

High unemployment county sales and use tax deferral (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	684	86.0%	12.0%	2.0%
50 to 250	3,289	97.2%	2.6%	0.2%
More than 250	9,615	94.0%	6.0%	0.0%
Total	13,588	94.3%	5.5%	0.2%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$38,782,294	96.3%	3.4%	0.3%
50 to 250	180,046,042	99.2%	0.8%	0.0%
More than 250	651,062,269	98.1%	1.9%	0.0%
Total	\$869,890,605	98.2%	1.8%	0.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	1,132	8.3%
Business, financial, and legal operations	778	5.7%
Computer, math, architect, and engineer	911	6.7%
Life, physical, and social science	21	0.2%
Community and social services	147	1.1%
Education, training, and library	4	0.0%
Healthcare practitioners, tech., and sup.	5	0.0%
Protective svc., building, and maint.	109	0.8%
Sales and service	1,498	11.0%
Office and administrative support	834	6.1%
Construction and extraction	127	0.9%
Installation, maintenance, and repair	545	4.0%
Prod., non-construct. trades, and craft	6,742	49.6%
Transportation and material moving	517	3.8%
Other	218	1.6%
Total	13,588	100.0%

High unemployment county sales and use tax deferral (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	99.4%	0.6%	0.0%
Business, financial, and legal operations	99.0%	1.0%	0.0%
Computer, math, architect, and engineer	97.9%	2.0%	0.1%
Life, physical, and social science	95.2%	4.8%	0.0%
Community and social services	100.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	100.0%	0.0%	0.0%
Protective svc., building, and maint.	73.4%	26.6%	0.0%
Sales and service	86.0%	13.6%	0.3%
Office and administrative support	95.3%	4.7%	0.0%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	98.3%	1.7%	0.0%
Prod., non-construct. trades, and craft	95.5%	4.5%	0.0%
Transportation and material moving	83.8%	16.2%	0.0%
Other	98.2%	1.8%	0.0%
Total	94.7%	5.2%	0.1%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.1%	0.9%	1.6%	3.4%	41.7%	52.3%
Business, financial, and legal operations	0.4%	4.9%	11.7%	18.5%	47.9%	16.6%
Computer, math, architect, and engineer	0.1%	3.8%	8.6%	12.4%	51.7%	23.4%
Life, physical, and social science	4.8%	0.0%	47.6%	9.5%	33.3%	4.8%
Community and social services	1.4%	17.0%	44.9%	18.4%	17.0%	1.4%
Education, training, and library	0.0%	25.0%	50.0%	0.0%	25.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	20.0%	40.0%	40.0%	0.0%
Protective svc., building, and maint.	23.9%	35.8%	16.5%	1.8%	21.1%	0.9%
Sales and service	24.1%	7.2%	15.7%	13.1%	34.2%	5.7%
Office and administrative support	3.2%	27.2%	25.7%	16.8%	22.2%	4.9%
Construction and extraction	1.6%	12.6%	22.8%	27.6%	33.1%	2.4%
Installation, maintenance, and repair	1.5%	11.0%	28.1%	38.2%	20.9%	0.4%
Prod., non-construct. trades, and craft	11.7%	46.9%	21.9%	10.5%	8.5%	0.4%
Transportation and material moving	21.1%	36.2%	20.3%	13.0%	9.1%	0.4%
Other	23.4%	33.5%	15.6%	6.9%	15.1%	5.5%
Total	10.2%	29.3%	18.6%	12.5%	21.2%	8.2%

Manufacturers sales and use tax deferral

The “Invest in Washington” pilot program creates a sales and use tax deferral for two investment projects per calendar year. The deferral applies to sales and use taxes on up to \$10 million in charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. One project must be in eastern Washington and one project must be in western Washington. Projects approved for a high unemployment county sales and use tax deferral (RCW 82.60) cannot receive this deferral, and projects cannot receive multiple pilot program deferrals. This program expires January 1, 2026. (RCW 82.85)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 600	4	\$1,638,834
Total	4	\$1,638,834

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	498	48.8%	51.2%
Total	498	48.8%	51.2%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	\$18,966,697	75.7%	24.3%
Total	\$18,966,697	75.7%	24.3%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	364	92.9%	3.6%	3.6%
Total	364	92.9%	3.6%	3.6%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$17,679,846	98.8%	0.6%	0.6%
Total	\$17,679,846	98.8%	0.6%	0.6%

Manufacturers sales and use tax deferral (continued)

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	26	7.1%
Business, financial, and legal operations	2	0.5%
Computer, math, architect, and engineer	6	1.6%
Life, physical, and social science	0	0.0%
Community and social services	1	0.3%
Education, training, and library	0	0.0%
Healthcare practitioners, tech., and sup.	0	0.0%
Protective svc., building, and maint.	7	1.9%
Sales and service	19	5.2%
Office and administrative support	22	6.0%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	6	1.6%
Prod., non-construct. trades, and craft	257	70.6%
Transportation and material moving	18	4.9%
Other	0	0.0%
Total	364	100.0%

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	100.0%	0.0%	0.0%
Computer, math, architect, and engineer	83.3%	16.7%	0.0%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	100.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%
Protective svc., building, and maint.	42.9%	57.1%	0.0%
Sales and service	94.7%	5.3%	0.0%
Office and administrative support	81.8%	18.2%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	94.2%	5.8%	0.0%
Transportation and material moving	94.4%	5.6%	0.0%
Other	0.0%	0.0%	0.0%
Total	92.9%	7.1%	0.0%

Manufacturers sales and use tax deferral (continued)

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	0.0%	46.2%	53.8%
Business, financial, and legal operations	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%
Computer, math, architect, and engineer	0.0%	33.3%	16.7%	16.7%	16.7%	16.7%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	57.1%	14.3%	0.0%	14.3%	0.0%	14.3%
Sales and service	0.0%	0.0%	0.0%	42.1%	47.4%	10.5%
Office and administrative support	9.1%	27.3%	36.4%	13.6%	13.6%	0.0%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	0.0%	33.3%	50.0%	16.7%	0.0%
Prod., non-construct. trades, and craft	0.8%	39.7%	37.7%	18.7%	3.1%	0.0%
Transportation and material moving	0.0%	27.8%	50.0%	16.7%	5.6%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	2.2%	31.9%	32.1%	18.4%	10.2%	5.2%

Rural county sales and use tax deferral

Manufacturers investing in qualifying counties are eligible for a deferral of retail sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. Manufacturers must locate the projects in a county with a population density averaging fewer than 100 residents per square mile or in a county containing a CEZ. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2010. (RCW 82.60).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 60	6	\$3,844,222
60 or more	5	10,826,173
Total	11	\$14,670,395

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 60	229	66.4%	33.6%
60 or more	1,788	54.3%	45.7%
Total	2,017	55.7%	44.3%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 60	\$8,574,496	90.1%	9.9%
60 or more	52,525,654	87.5%	12.5%
Total	\$61,100,150	87.9%	12.1%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 60	196	86.7%	13.3%	0.0%
60 or more	1,771	99.3%	0.7%	0.0%
Total	1,967	98.0%	2.0%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 60	\$8,075,542	97.5%	2.5%	0.0%
60 or more	51,715,654	99.6%	0.4%	0.0%
Total	\$59,791,196	99.3%	0.7%	0.0%

Chapter 5 - High Technology Industry

Four high technology industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

Biotechnology sales and use tax deferral

Biotechnology product and medical device manufacturers are eligible for a deferral of sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to January 1, 2017. (RCW 82.75)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 60	3	\$571,938
60 or more	4	2,246,500
Total	7	\$2,818,438

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 60	97	69.1%	30.9%
60 or more	709	71.2%	28.8%
Total	806	71.0%	29.0%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 60	\$7,735,530	89.2%	10.8%
60 or more	58,513,697	73.2%	26.8%
Total	\$66,249,227	75.1%	24.9%

Biotechnology sales and use tax deferral (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 60	85	98.8%	1.2%	0.0%
60 or more	654	95.9%	3.8%	0.3%
Total	739	96.2%	3.5%	0.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 60	\$7,456,211	99.1%	0.9%	0.0%
60 or more	47,994,600	99.4%	0.6%	0.0%
Total	\$55,450,811	99.3%	0.6%	0.0%

Data center sales and use tax exemption

A sales and use tax exemption on qualified purchases of eligible server equipment and eligible power infrastructure exists for data centers located in a rural county. The exemption includes charges for labor and services associated with installation of the equipment and power infrastructure. This exemption is limited to eight data centers that began construction on or after July 1, 2015, but before July 1, 2019, and an additional four data centers that began construction on or after July 1, 2019, but before July 1, 2025. This exemption expires January 1, 2026. (RCW 82.82.08.986, 82.12.986)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	14	\$24,117,343
More than 250	4	18,047,334
Total	18	\$42,164,677

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	343	71.4%	28.6%
More than 250	166,309	85.2%	14.8%
Total	166,652	85.1%	14.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$33,490,573	85.5%	14.5%
More than 250	19,667,685,969	93.7%	6.3%
Total	\$19,701,176,542	93.7%	6.3%

Data center sales and use tax exemption (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	307	99.0%	0.3%	0.7%
More than 250	162,753	93.6%	3.4%	3.0%
Total	163,060	93.7%	3.4%	3.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$31,524,644	99.8%	0.0%	0.1%
More than 250	19,591,617,403	98.8%	0.8%	0.4%
Total	\$19,623,142,047	98.8%	0.8%	0.4%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	10,307	6.3%
Business, financial, and legal operations	15,778	9.7%
Computer, math, architect, and engineer	70,210	43.1%
Life, physical, and social science	179	0.1%
Community and social services	32	0.0%
Education, training, and library	129	0.1%
Healthcare practitioners, tech., and sup.	66	0.0%
Protective svc., building, and maint.	1,153	0.7%
Sales and service	21,160	13.0%
Office and administrative support	3,517	2.2%
Construction and extraction	266	0.2%
Installation, maintenance, and repair	5,005	3.1%
Prod., non-construct. trades, and craft	29,819	18.3%
Transportation and material moving	3,637	2.2%
Other	1,802	1.1%
Total	163,060	100.0%

Data center sales and use tax exemption (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	99.5%	0.0%	0.5%
Business, financial, and legal operations	95.4%	1.4%	3.1%
Computer, math, architect, and engineer	96.0%	0.3%	3.7%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	96.9%	3.1%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	100.0%	0.0%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	70.8%	21.6%	7.6%
Office and administrative support	93.0%	4.4%	2.6%
Construction and extraction	99.2%	0.8%	0.0%
Installation, maintenance, and repair	94.1%	5.2%	0.8%
Prod., non-construct. trades, and craft	100.0%	0.0%	0.0%
Transportation and material moving	98.7%	1.2%	0.2%
Other	99.8%	0.2%	0.0%
Total	93.7%	3.4%	3.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	10.9%	12.8%	76.2%
Business, financial, and legal operations	0.0%	3.4%	1.8%	7.8%	29.1%	57.9%
Computer, math, architect, and engineer	0.0%	0.0%	0.1%	0.8%	8.7%	90.3%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	55.3%	44.7%
Community and social services	0.0%	0.0%	0.0%	9.4%	53.1%	37.5%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	32.6%	67.4%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	12.1%	59.1%	28.8%
Protective svc., building, and maint.	1.1%	16.4%	8.1%	3.9%	52.6%	18.0%
Sales and service	10.9%	21.5%	14.6%	16.8%	7.6%	28.5%
Office and administrative support	0.3%	3.0%	2.0%	14.0%	34.4%	46.3%
Construction and extraction	0.4%	18.0%	15.8%	33.1%	31.2%	1.5%
Installation, maintenance, and repair	1.2%	5.4%	2.9%	8.0%	76.8%	5.8%
Prod., non-construct. trades, and craft	0.0%	9.2%	20.9%	3.6%	63.9%	2.4%
Transportation and material moving	0.0%	2.2%	3.0%	7.6%	36.7%	50.4%
Other	0.0%	0.0%	0.2%	1.6%	41.3%	56.9%
Total	1.5%	5.2%	6.2%	5.5%	25.0%	56.6%

High technology sales and use tax deferral

Businesses engaged in certain high technology research and development activities, or pilot scale manufacturing are eligible for a deferral of sales and use taxes on charges for construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to January 1, 2015. (RCW 82.63)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	13	\$4,742,715
50 to 250	25	25,991,933
More than 250	33	354,234,553
Total	71	\$384,969,202

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	312	61.5%	38.5%
50 to 250	3,426	70.8%	29.2%
More than 250	248,999	62.6%	37.4%
Total	252,737	62.7%	37.3%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$32,967,030	78.3%	21.7%
50 to 250	374,629,612	85.5%	14.5%
More than 250	32,056,751,575	85.4%	14.6%
Total	\$32,464,348,217	85.4%	14.6%

High technology sales and use tax deferral (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	260	91.2%	8.5%	0.4%
50 to 250	2,822	94.5%	4.6%	1.0%
More than 250	227,849	87.0%	9.8%	3.1%
Total	230,931	87.1%	9.8%	3.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$30,423,820	93.9%	6.1%	0.0%
50 to 250	344,275,151	97.1%	2.2%	0.8%
More than 250	30,972,833,636	97.0%	2.6%	0.3%
Total	\$31,347,532,607	97.0%	2.6%	0.4%

Incentive amounts by high technology category

High technology category	Number of participants reporting in each category*	Incentive claimed
Advanced computing	21	\$242,809,759
Advanced materials	10	14,004,650
Biotechnology	31	106,541,524
Electronic devices	22	17,996,480
Environmental	6	3,616,789
Total	90	\$384,969,202

*Total does not agree with the first table because some participants may report under multiple technology categories.

Public research institution equipment sales and use tax exemption

The sale of machinery and equipment used primarily in a research and development operation at public research institutions is exempt from sales and use tax. (RCW 82.08.025651, 82.12.025651)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
250 or more	3	\$5,286,334
Total	3	\$5,286,334

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
250 or more	44,780	65.2%	34.8%
Total	44,780	65.2%	34.8%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
250 or more	\$2,885,273,313	79.1%	20.9%
Total	\$2,885,273,313	79.1%	20.9%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
250 or more	44,780	67.8%	25.3%	6.9%
Total	44,780	67.8%	25.3%	6.9%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
250 or more	\$2,885,273,313	78.2%	20.6%	1.1%
Total	\$2,885,273,313	78.2%	20.6%	1.1%

Incentive amounts by high technology category

High technology category	Number of participants	Incentive claimed
Advanced computing	CTI	CTI
Advanced materials	CTI	CTI
Biotechnology	CTI	CTI
Electronic devices	CTI	CTI
Environmental	CTI	CTI
Total	3	\$5,286,334

Chapter 6 - Renewable Energy Industry

Four renewable energy industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

Renewable energy equipment sales and use tax exemption (by facility)

A sales and use tax exemption exists for machinery and equipment used directly in generating electricity from wind, sun, fuel cells, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power. In order to qualify for the exemption, the purchaser must use the machinery and equipment to develop a facility capable of generating at least one thousand watts of electricity. The exemption also includes sales of, or charges made for installation labor and services associated with qualifying machinery and equipment. The amount of the exemption depends on the type and size of the energy system as well as certifications from the Department of Labor and Industries. The exemption expires January 1, 2030. Beginning January 1, 2020, the annual tax performance report is no longer required. (RCW 82.08.962; 82.12.962)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 600	3	\$6,226,340
Total	3	\$6,226,340

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	56	16.1%	83.9%
Total	56	16.1%	83.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	\$786,515	45.3%	54.7%
Total	\$786,515	45.3%	54.7%

Renewable energy equipment sales and use tax exemption (by facility) (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	22	63.6%	36.4%	0.0%
Total	22	63.6%	36.4%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$600,021	88.7%	11.3%	0.0%
Total	\$600,021	88.7%	11.3%	0.0%

Renewable energy light and power business public utility tax (PUT) credit

A light and power business may take a credit against PUT for amounts paid to customers as investment cost recovery incentives for renewable energy systems. The credit for a fiscal year may not exceed 1.5 percent of the business's 2014 calendar year taxable sales or \$250,000, whichever is greater. The right to earn tax credits expires June 30, 2029. Credits may not be claimed after June 30, 2030. (RCW 82.16.130)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	19	\$3,510,606
50 to 250	19	9,730,092
More than 250	9	36,547,209
Total	47	\$49,787,907

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	568	77.6%	22.4%
50 to 250	2,513	79.7%	20.3%
More than 250	10,351	84.9%	15.1%
Total	13,432	83.6%	16.4%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$41,545,884	93.0%	7.0%
50 to 250	204,219,613	93.7%	6.3%
More than 250	1,068,259,418	94.0%	6.0%
Total	\$1,314,024,915	93.9%	6.1%

Renewable energy light and power business public utility tax (PUT) credit (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	485	90.1%	8.7%	1.2%
50 to 250	2,262	91.7%	3.8%	4.5%
More than 250	9,976	94.0%	1.6%	4.5%
Total	12,723	93.4%	2.3%	4.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$36,697,650	98.9%	1.0%	0.0%
50 to 250	197,528,601	98.4%	1.2%	0.4%
More than 250	1,051,857,906	97.9%	0.7%	1.4%
Total	\$1,286,084,157	98.0%	0.8%	1.2%

Solar energy systems manufacturers or wholesalers reduced B&O tax rates

The B&O tax rate on the manufacturing of solar energy systems or the production of silicon components for these systems is 0.275 percent until July 1, 2027. If no preferential rate existed, the rate would be 0.484 percent. (RCW 82.04.294)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 10	4	\$17,727
10 or more	3	121,045
Total	7	\$138,772

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 10	8	25.0%	75.0%
10 or more	327	54.4%	45.6%
Total	335	53.7%	46.3%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 10	\$223,171	61.6%	38.4%
10 or more	15,300,755	86.3%	13.7%
Total	\$15,523,926	86.0%	14.0%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 10	8	12.5%	87.5%	0.0%
10 or more	327	99.4%	0.6%	0.0%
Total	335	97.3%	2.7%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 10	\$223,171	20.2%	79.8%	0.0%
10 or more	15,300,755	99.9%	0.1%	0.0%
Total	\$15,523,926	98.7%	1.3%	0.0%

Solar energy systems manufacturers or wholesalers reduced B&O tax rates (continued)

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	41	12.2%
Business, financial, and legal operations	3	0.9%
Computer, math, architect, and engineer	17	5.1%
Life, physical, and social science	8	2.4%
Community and social services	0	0.0%
Education, training, and library	0	0.0%
Healthcare practitioners, tech., and sup.	0	0.0%
Protective svc., building, and maint.	3	0.9%
Sales and service	8	2.4%
Office and administrative support	12	3.6%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	18	5.4%
Prod., non-construct. trades, and craft	213	63.6%
Transportation and material moving	12	3.6%
Other	0	0.0%
Total	335	100.0%

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	100.0%	0.0%	0.0%
Computer, math, architect, and engineer	100.0%	0.0%	0.0%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	100.0%	0.0%	0.0%
Office and administrative support	91.7%	8.3%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	94.4%	5.6%	0.0%
Prod., non-construct. trades, and craft	100.0%	0.0%	0.0%
Transportation and material moving	100.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Total	99.4%	0.6%	0.0%

Solar energy systems manufacturers or wholesalers reduced B&O tax rates (continued)

Percent distribution of employees by occupation class and hourly wage range

Occupational Class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.0%	2.4%	19.5%	17.1%	61.0%
Business, financial, and legal operations	0.0%	0.0%	0.0%	0.0%	66.7%	33.3%
Computer, math, architect, and engineer	0.0%	41.2%	5.9%	5.9%	35.3%	11.8%
Life, physical, and social science	0.0%	0.0%	0.0%	25.0%	50.0%	25.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	66.7%	0.0%	33.3%	0.0%	0.0%
Sales and service	0.0%	12.5%	25.0%	37.5%	25.0%	0.0%
Office and administrative support	0.0%	33.3%	25.0%	41.7%	0.0%	0.0%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	38.9%	11.1%	5.6%	44.4%	0.0%
Prod., non-construct. trades, and craft	63.4%	18.8%	1.9%	8.9%	6.6%	0.5%
Transportation and material moving	0.0%	41.7%	33.3%	16.7%	8.3%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	40.3%	19.7%	5.1%	12.5%	13.1%	9.3%

Chapter 7 - Timber Industry

Two timber industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

Hog fuel sales and use tax exemption (by facility)

Hog fuel used to produce electricity, steam, heat, or biofuel is exempt from retail sales and use taxes. Hog fuel is wood waste and other wood residuals, including forest derived biomass, but excludes firewood and wood pellets. Participants submit the annual tax performance report for this incentive by facility. This exemption expires June 30, 2024. (RCW 82.08.956; 82.12.956)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	7	\$1,099,397
More than 250	8	1,422,658
Total	15	\$2,522,054

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	1,393	57.2%	42.8%
More than 250	4,432	92.8%	7.2%
Total	5,825	84.3%	15.7%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$77,165,505	70.5%	29.5%
More than 250	374,640,722	95.3%	4.7%
Total	\$451,806,227	91.1%	8.9%

Hog fuel sales and use tax exemption (by facility) (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	648	99.7%	0.3%	0.0%
More than 250	4,897	99.9%	0.1%	0.0%
Total	5,545	99.9%	0.1%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$44,666,034	100.0%	0.0%	0.0%
More than 250	\$399,818,931	100.0%	0.0%	0.0%
Total	\$444,484,965	100.0%	0.0%	0.0%

Timber and wood products reduced B&O tax rates

Persons extracting or manufacturing timber and selling timber and wood products at wholesale receive a preferential B&O tax rate of 0.2904 percent (0.3424 percent after including the 0.052 percent surcharge to finance riparian habitat). This preferential tax rate expires July 1, 2045. At that time, income from these activities becomes taxable under the B&O tax rate of 0.484 percent. (RCW 82.04.260(12))

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	542	\$3,190,840
50 to 250	49	3,357,314
More than 250	18	7,202,367
Total	609	\$13,750,521

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	4,380	48.5%	51.5%
50 to 250	6,419	64.7%	35.3%
More than 250	11,946	82.0%	18.0%
Total	22,745	70.7%	29.3%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$166,333,592	80.0%	20.0%
50 to 250	373,335,480	84.8%	15.2%
More than 250	914,244,390	91.1%	8.9%
Total	\$1,453,913,462	88.2%	11.8%

Timber and wood products reduced B&O tax rates (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	3,087	81.7%	13.6%	4.7%
50 to 250	5,075	96.0%	2.7%	1.3%
More than 250	11,224	98.8%	0.6%	0.6%
Total	19,386	95.3%	3.2%	1.5%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$143,359,296	95.3%	4.0%	0.7%
50 to 250	332,107,597	99.2%	0.6%	0.2%
More than 250	877,897,513	99.5%	0.3%	0.2%
Total	\$1,353,364,406	99.0%	0.8%	0.3%

Chapter 8 – Other Programs

There are 14 other programs requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

Government funded mental health services deduction

Nonprofit health or social welfare organizations receive a B&O tax deduction for providing mental health or chemical dependency services under a government-funded program. The same deduction applies to regional support networks for amounts received by the state for distribution to health or social welfare organizations that qualify for the deduction. This exemption expired January 1, 2020. (RCW 82.04.4277)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	3	\$679,154
Total	3	\$679,154

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	218	71.6%	28.4%
Total	218	71.6%	28.4%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$9,541,200	91.4%	8.6%
Total	\$9,541,200	91.4%	8.6%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	218	87.2%	10.1%	2.8%
Total	218	87.2%	10.1%	2.8%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$9,541,200	97.8%	1.9%	0.3%
Total	\$9,541,200	97.8%	1.9%	0.3%

Newspaper reduced B&O tax rate

Businesses in the newspaper industry receive a preferential B&O tax rate for printing and/or publishing newspapers. This B&O tax rate is 0.35 percent until July 1, 2024, at which time the rate increases to 0.484 percent.

The definition of “newspaper” for B&O tax purposes includes electronic versions of a printed newspaper. The preferential rate applies to advertising and subscription revenues generated from the online version of a printed newspaper. (RCW 82.04.260(14a))

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	65	\$182,114
50 to 250	6	77,932
More than 250	7	256,452
Total	78	\$516,498

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	926	56.6%	43.4%
50 to 250	728	63.3%	36.7%
More than 250	25,867	97.7%	2.3%
Total	27,521	95.4%	4.6%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$27,890,708	81.0%	19.0%
50 to 250	22,302,815	82.5%	17.5%
More than 250	843,841,001	98.9%	1.1%
Total	\$894,034,524	98.0%	2.0%

Newspaper reduced B&O tax rate (continued)

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	638	69.7%	29.8%	0.5%
50 to 250	561	70.2%	29.4%	0.4%
More than 250	25,777	26.8%	72.9%	0.2%
Total	26,976	28.8%	71.0%	0.2%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$20,446,788	89.7%	10.2%	0.1%
50 to 250	21,828,467	89.2%	10.1%	0.7%
More than 250	843,040,079	28.8%	71.1%	0.1%
Total	\$885,315,334	31.7%	68.2%	0.1%

Tribal owned property used for economic development

Federally recognized Indian tribes in Washington receive a property tax exemption for property owned by the tribe and used for economic development purposes. To qualify for the exemption, tribes had to acquire the land prior to March 1, 2014. Effective June 11, 2020, House Bill 2230 (2020) made the exemption permanent, removed the March 1, 2014, requirement, and removed the requirement for those claiming the exemption to submit an annual tax performance report. Beginning with Calendar Year 2021 activity, those utilizing the tribal property tax exemption are not required to file the annual tax performance report. (RCW 84.36.010(2))

This property tax exemption is reported on a separate annual tax performance report that gathered data for the economic impact report compiled by the Joint Legislative Audit and Review Committee in 2020. The questions from the tribal report are different from the standard annual tax performance report per RCW 43.136.090. The tables below summarize the same employment data asked on the standard annual tax performance report.

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 5,000	3	\$691,919
Total	3	\$691,919

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 5,000	9,085	87.6%	7.2%	5.2%
Total	9,085	87.6%	7.2%	5.2%

Washington Filmworks contributors B&O tax credit

Businesses contributing to the Washington motion picture competitiveness program receive a B&O tax credit equal to the lesser of the contribution made or \$750,000 for each contributor. The total statewide credit cannot exceed \$3.5 million a year. Businesses cannot earn credits after June 30, 2027, and must claim the credit on returns by December 31, 2030. (RCW 82.04.4489)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	8	\$169,001
More than 250	6	3,330,999
Total	14	\$3,500,000

Annual employment data for Calendar Year 2019

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	655	36.8%	63.2%
More than 250	15,352	83.4%	16.6%
Total	16,007	81.5%	18.5%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$20,873,197	70.7%	29.3%
More than 250	1,192,318,571	95.8%	4.2%
Total	\$1,213,191,768	95.3%	4.7%

Annual employment data for employees employed on December 31, 2019

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	498	40.6%	50.6%	8.8%
More than 250	16,357	92.4%	6.9%	0.7%
Total	16,855	90.9%	8.2%	0.9%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$19,680,414	73.1%	25.9%	1.1%
More than 250	1,335,742,522	97.9%	2.0%	0.1%
Total	\$1,355,422,936	97.5%	2.3%	0.1%