

Special Notice

Intended audience: Community development financial institutions such as community development banks, credit unions, and venture capital funds.

December 1, 2022

Equitable Access to Credit Program B&O tax credit

A person who makes contributions to the Equitable Access to Credit Program administered by the Department of Commerce is eligible for a business and occupation (B&O) tax credit, subject to certain limitations.

What is this tax credit?

A person who makes contributions to the Equitable Access to Credit Program can claim this B&O tax credit. You do not need to apply for this B&O tax credit.

The purpose of the Equitable Access to Credit program is to award grants to qualified lending institutions for lending or investing in historically underserved communities.

The Department of Commerce oversees the Equitable Access to Credit Program. If you have questions about the program, including how to make a contribution, please contact Linda Womack at Linda.Womack@Commerce.wa.gov.

How do I claim this B&O tax credit?

To claim the credit, you must:

- Make a contribution to the program before claiming the credit.
 - The credit you earn is 100% of what you contribute but is capped at \$1 million per calendar year.
 - You are responsible for keeping sufficient records to document your contribution.
- Claim the B&O tax credit for the “Equitable Access Credit” on returns you file **during or after** the contribution calendar year.
 - Any credit you earn but do not fully use in the contribution calendar year can be carried

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forward and claimed for the two calendar years immediately following the contribution calendar year. No refunds may be granted for unused credits.

- You cannot use the credit you earn from contributions in the current calendar year against B&O tax liabilities you had in a previous calendar year.
- You cannot earn credit for contributions made after June 29, 2027.
- You cannot claim credits earned from the previous contribution calendar years after December 31, 2029, even if the credits are unused.
- File your return electronically. See our [“File or amend my return”](#) webpage for more information.

What are the limitations for claiming this credit?

The law limits the B&O tax credit that you can claim under this program in the following ways:

- **Individual cap:** You may only claim a B&O tax credit of up to **\$1 million per calendar year**.
- **Program cap:** This B&O tax credit program is available on a “first-in-time” basis with a maximum credit allowance of **\$8 million statewide per calendar year**. If the \$8 million statewide cap is reached, the department will disallow further credit claimed in the calendar year and will notify businesses who have claimed the credit after the statewide cap is reached. The tax due for disallowed credit must be paid within 30 days from the date of the notice.

Example

If you contributed to the Equitable Access to Credit Program on January 1, 2024, your contribution to the program during 2024 qualifies you for a B&O tax credit.

Credit you earned in 2024 can be used against the tax liabilities you incurred for periods from January 1, 2024, through December 31, 2026.

Credit you earned in 2024 cannot be used against a B&O tax liability incurred in 2023 or in a previous year but paid in 2024.

More information

[E2SHB 1015](#), Chapter 189, Laws of 2022

[RCW 82.04.4499](#)

Questions?

For questions about the credit, call Taxpayer Account Administration 360-705-6214.

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