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DEPARTMENT OF REVENUE  
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December 22, 2020

**TO:** Brad Hendrickson, Secretary  
Washington State Senate  
  
Bernard Dean, Chief Clerk  
Washington State House of Representatives

**FROM:** Vikki Smith, Director *Vikki Smith*

**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.

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

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# 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



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## 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 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

|  | <u>Number of participants</u> |
|--|-------------------------------|
| 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

|   | <u>Tax saved (millions)</u> |
|---|-----------------------------|
| 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

|   | <u>Number of jobs</u> |
|---|-----------------------|
| 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 <sup>1</sup> | Tax savings   |
|---|--------------|-------------------------|---------------|
| <b>Aerospace</b>  |              |                         |               |
| 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 <sup>2</sup>             | 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  |
| <b>Agricultural products</b>  |              |                         |               |
| 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   |
| <b>Employer credits</b>   |              |                         |               |
| 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 <sup>2</sup>                                | CTI          | CTI                     | CTI           |
| <b>General manufacturing</b>  |              |                         |               |
| 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  |
| <b>High technology and computing</b>                                    |              |                         |               |
| 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   |
| <b>Renewable energy</b>   |              |                         |               |
| 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 <sup>2</sup>           | CTI          | CTI                     | CTI           |
| <b>Timber</b>   |              |                         |               |
| 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  |

<sup>1</sup>Total jobs as of December 31, 2019.

<sup>2</sup>Fewer 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 <sup>1</sup> | Tax savings |
|---|--------------|-------------------------|-------------|
| <b>Other programs</b>   |              |                         |             |
| Aluminum smelters property tax B&O tax credit <sup>2</sup>              | CTI          | CTI                     | CTI         |
| Aluminum smelters reduced B&O tax rate <sup>2</sup>                     | CTI          | CTI                     | CTI         |
| Aluminum smelters sales and use tax credit <sup>2</sup>                 | CTI          | CTI                     | CTI         |
| Electrolytic processing industry incentives <sup>2</sup>                | CTI          | CTI                     | CTI         |
| Gas distribution business sales and use tax exemption <sup>2</sup>      | 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 <sup>2</sup>           | CTI          | CTI                     | CTI         |
| Semiconductor sales and use tax exemption <sup>2</sup>                  | CTI          | CTI                     | CTI         |
| Standard financial information sales and use tax exemption <sup>2</sup> | 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 |

<sup>1</sup>Total jobs as of December 31, 2019.

<sup>2</sup>Fewer 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          |
| <b>Total</b>    | <b>23</b>    | <b>\$8,657,425</b> |

#### 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%   |
| <b>Total</b>    | <b>74,751</b> | <b>99.1%</b>                           | <b>0.9%</b>                                  |

##### 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%   |
| <b>Total</b>    | <b>\$9,328,828,131</b> | <b>99.8%</b>                           | <b>0.2%</b>                                  |

## 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%        |
| <b>Total</b>    | <b>74,440</b> | <b>99.7%</b> | <b>0.2%</b> | <b>0.2%</b> |

### 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%        |
| <b>Total</b>    | <b>\$9,322,857,538</b> | <b>99.9%</b> | <b>0.1%</b> | <b>0.0%</b> |

## 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 0.471 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           |
| <b>Total</b>    | <b>37</b>    | <b>\$694,927</b>  |

## 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%  |
| <b>Total</b>    | <b>5,395</b> | <b>73.1%</b>                           | <b>26.9%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$361,060,406</b> | <b>88.1%</b>                           | <b>11.9%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>4,977</b> | <b>95.2%</b> | <b>0.6%</b> | <b>4.1%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$345,259,481</b> | <b>94.3%</b> | <b>2.8%</b> | <b>3.0%</b> |

#### 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%                    |
| <b>Total</b>                              | <b>4,977</b>        | <b>100.0%</b>           |



## 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%        |
| <b>Total</b>                              | <b>95.3%</b> | <b>4.4%</b> | <b>0.3%</b> |

Percent distribution of employees by occupation class and hourly wage range

| Occupational Class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%              |
| <b>Total</b>                              | <b>3.9%</b>      | <b>20.3%</b>        | <b>15.5%</b>        | <b>17.9%</b>        | <b>26.3%</b>        | <b>16.2%</b>      |

## 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          |
| <b>Total</b>    | <b>379</b>   | <b>\$82,857,076</b> |

## 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%   |
| <b>Total</b>    | <b>106,836</b> | <b>89.3%</b>                           | <b>10.7%</b>                                 |

### 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%   |
| <b>Total</b>    | <b>\$11,093,208,811</b> | <b>97.5%</b>                          | <b>2.5%</b>                                  |

## 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%        |
| <b>Total</b>    | <b>101,608</b> | <b>99.1%</b> | <b>0.5%</b> | <b>0.5%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$10,956,523,378</b> | <b>99.7%</b> | <b>0.1%</b> | <b>0.2%</b> |

#### 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%                    |
| <b>Total</b>                              | <b>101,608</b>      | <b>100.0%</b>           |

## 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%        |
| <b>Total</b>                              | <b>99.1%</b> | <b>0.9%</b> | <b>0.0%</b> |

Percent distribution of employees by occupation class and hourly wage range

| Occupational Class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%             |
| <b>Total</b>                              | <b>1.6%</b>      | <b>10.9%</b>        | <b>12.2%</b>        | <b>6.8%</b>         | <b>39.6%</b>        | <b>28.9%</b>      |

## 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          |
| <b>Total</b>    | <b>62</b>    | <b>\$70,407,579</b> |

## 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%                                   |
| <b>Total</b>    | <b>81,564</b> | <b>96.5%</b>                           | <b>3.5%</b>                            |

### 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%                                   |
| <b>Total</b>    | <b>\$9,786,570,992</b> | <b>99.1%</b>                           | <b>0.9%</b>                            |

## 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%        |
| <b>Total</b>    | <b>80,235</b> | <b>99.7%</b> | <b>0.2%</b> | <b>0.1%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$9,750,648,680</b> | <b>99.8%</b> | <b>0.2%</b> | <b>0.0%</b> |

#### 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%                    |
| <b>Total</b>                              | <b>80,235</b>       | <b>100.0%</b>           |

## 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%        |
| <b>Total</b>                              | <b>99.7%</b> | <b>0.3%</b> | <b>0.0%</b> |

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%          |
| <b>Total</b>                              | <b>0.2%</b>   | <b>6.5%</b>     | <b>9.7%</b>     | <b>3.7%</b>     | <b>44.9%</b>    | <b>35.0%</b>   |

## 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          |
| <b>Total</b>    | <b>132</b>   | <b>\$2,157,646</b> |

## 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%  |
| <b>Total</b>    | <b>6,452</b> | <b>64.9%</b>                           | <b>35.1%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$469,531,186</b> | <b>81.2%</b>                          | <b>18.8%</b>                                 |



## 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%       |
| <b>Total</b>    | <b>6,069</b> | <b>88.0%</b> | <b>2.5%</b> | <b>9.5%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$454,351,837</b> | <b>93.1%</b> | <b>3.3%</b> | <b>3.6%</b> |

#### 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%                    |
| <b>Total</b>                              | <b>6,069</b>        | <b>100.0%</b>           |

## 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%        |
| <b>Total</b>                              | <b>94.9%</b> | <b>5.1%</b> | <b>0.1%</b> |

Percent distribution of employees by occupation class and hourly wage range

| Occupational Class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%             |
| <b>Total</b>                              | <b>1.8%</b>      | <b>13.9%</b>        | <b>10.2%</b>        | <b>12.5%</b>        | <b>31.3%</b>        | <b>30.2%</b>      |

## 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          |
| <b>Total</b>    | <b>27</b>    | <b>\$34,911,340</b> |

### 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%   |
| <b>Total</b>    | <b>81,293</b> | <b>96.3%</b>                           | <b>3.7%</b>                                  |

#### 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%   |
| <b>Total</b>    | <b>\$9,663,307,668</b> | <b>99.4%</b>                           | <b>0.6%</b>                                  |

## 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%        |
| <b>Total</b>    | <b>79,887</b> | <b>99.7%</b> | <b>0.2%</b> | <b>0.1%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$9,629,784,154</b> | <b>99.9%</b> | <b>0.1%</b> | <b>0.0%</b> |

## 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         |
| <b>Total</b>    | <b>4</b>     | <b>\$312,004</b>  |

### 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%  |
| <b>Total</b>    | <b>774</b>   | <b>64.5%</b>                           | <b>35.5%</b>                                 |

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%  |
| <b>Total</b>    | <b>\$48,757,877</b> | <b>79.9%</b>                           | <b>20.1%</b>                                 |

### 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%        |
| <b>Total</b>    | <b>709</b>   | <b>91.0%</b> | <b>8.3%</b> | <b>0.7%</b> |

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%        |
| <b>Total</b>    | <b>\$47,428,436</b> | <b>97.8%</b> | <b>2.0%</b> | <b>0.2%</b> |

## 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           |
| <b>Total</b>    | <b>31</b>    | <b>\$22,402,533</b> |

## 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%  |
| <b>Total</b>    | <b>27,850</b> | <b>44.5%</b>                           | <b>55.5%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$725,028,828</b> | <b>72.0%</b>                           | <b>28.0%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>12,495</b> | <b>94.6%</b> | <b>4.8%</b> | <b>0.6%</b> |

### 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%        |
| <b>Total</b>    | <b>\$519,986,935</b> | <b>97.7%</b> | <b>2.2%</b> | <b>0.1%</b> |

## 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          |
| <b>Total</b>    | <b>29</b>    | <b>\$5,586,782</b> |

## 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%  |
| <b>Total</b>    | <b>2,980</b> | <b>69.4%</b>                           | <b>30.6%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$150,939,435</b> | <b>86.9%</b>                           | <b>13.1%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>2,646</b> | <b>88.0%</b> | <b>10.4%</b> | <b>1.7%</b> |

### 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%        |
| <b>Total</b>    | <b>\$150,444,131</b> | <b>96.4%</b> | <b>3.5%</b> | <b>0.2%</b> |

### 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          |
| <b>Total</b>    | <b>257</b>   | <b>\$18,035,453</b> |

### 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%  |
| <b>Total</b>    | <b>32,090</b> | <b>40.8%</b>                           | <b>59.2%</b>                                 |

#### 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%  |
| <b>Total</b>    | <b>\$878,186,047</b> | <b>80.7%</b>                           | <b>19.3%</b>                                 |



## 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%        |
| <b>Total</b>    | <b>20,303</b> | <b>71.8%</b> | <b>9.9%</b> | <b>18.3%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$747,956,480</b> | <b>94.2%</b> | <b>2.8%</b> | <b>3.0%</b> |

## 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          |
| <b>Total</b>    | <b>35</b>    | <b>\$3,174,332</b> |

## 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%  |
| <b>Total</b>    | <b>5,851</b> | <b>55.3%</b>                           | <b>44.7%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$212,536,433</b> | <b>87.5%</b>                           | <b>12.5%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>4,152</b> | <b>79.9%</b> | <b>5.4%</b> | <b>14.7%</b> |

### 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%        |
| <b>Total</b>    | <b>\$201,441,676</b> | <b>93.5%</b> | <b>1.8%</b> | <b>4.8%</b> |

## 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            |
| <b>Total</b>    | <b>14</b>    | <b>\$101,188</b>  |

### 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%  |
| <b>Total</b>    | <b>3,791</b> | <b>73.3%</b>                           | <b>26.7%</b>                                 |

#### 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%   |
| <b>Total</b>    | <b>\$222,323,293</b> | <b>88.9%</b>                           | <b>11.1%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>3,279</b> | <b>93.3%</b> | <b>5.9%</b> | <b>0.9%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$210,520,142</b> | <b>96.7%</b> | <b>2.8%</b> | <b>0.5%</b> |

#### 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%                    |
| <b>Total</b>                              | <b>3,279</b>        | <b>100.0%</b>           |

## 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%        |
| <b>Total</b>                              | <b>93.3%</b> | <b>6.5%</b> | <b>0.2%</b> |

Percent distribution of employees by occupation class and hourly wage range

| Occupational Class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%              |
| <b>Total</b>                              | <b>4.1%</b>      | <b>24.8%</b>        | <b>15.1%</b>        | <b>17.2%</b>        | <b>26.0%</b>        | <b>12.8%</b>      |

## 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            |
| <b>Total</b>    | <b>26</b>    | <b>\$54,879</b>   |

## 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%  |
| <b>Total</b>    | <b>1,944</b> | <b>72.9%</b>                           | <b>27.1%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$95,521,917</b> | <b>80.9%</b>                           | <b>19.1%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>1,794</b> | <b>95.1%</b> | <b>4.8%</b> | <b>0.1%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$84,042,325</b> | <b>98.8%</b> | <b>1.2%</b> | <b>0.0%</b> |

#### 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%                    |
| <b>Total</b>                              | <b>1,794</b>        | <b>100.0%</b>           |

## 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%        |
| <b>Total</b>                              | <b>96.4%</b> | <b>3.6%</b> | <b>0.0%</b> |

Percent distribution of employees by occupation class and hourly wage range

| Occupational Class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%              |
| <b>Total</b>                              | <b>25.3%</b>     | <b>24.2%</b>        | <b>22.8%</b>        | <b>15.4%</b>        | <b>8.8%</b>         | <b>3.6%</b>       |



## 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           |
| <b>Total</b>    | <b>61</b>    | <b>\$27,703,555</b> |

### 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%  |
| <b>Total</b>    | <b>15,147</b> | <b>71.8%</b>                           | <b>28.2%</b>                                 |

#### 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%  |
| <b>Total</b>    | <b>\$914,107,894</b> | <b>88.5%</b>                           | <b>11.5%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>13,588</b> | <b>94.3%</b> | <b>5.5%</b> | <b>0.2%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$869,890,605</b> | <b>98.2%</b> | <b>1.8%</b> | <b>0.0%</b> |

#### 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%                    |
| <b>Total</b>                              | <b>13,588</b>       | <b>100.0%</b>           |

## 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%        |
| <b>Total</b>                              | <b>94.7%</b> | <b>5.2%</b> | <b>0.1%</b> |

Percent distribution of employees by occupation class and hourly wage range

| Occupational Class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%              |
| <b>Total</b>                              | <b>10.2%</b>     | <b>29.3%</b>        | <b>18.6%</b>        | <b>12.5%</b>        | <b>21.2%</b>        | <b>8.2%</b>       |

## 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        |
| <b>Total</b>    | <b>4</b>     | <b>\$1,638,834</b> |

## 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%  |
| <b>Total</b>    | <b>498</b>   | <b>48.8%</b>                           | <b>51.2%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$18,966,697</b> | <b>75.7%</b>                           | <b>24.3%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>364</b>   | <b>92.9%</b> | <b>3.6%</b> | <b>3.6%</b> |

### 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%        |
| <b>Total</b>    | <b>\$17,679,846</b> | <b>98.8%</b> | <b>0.6%</b> | <b>0.6%</b> |

## 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%                    |
| <b>Total</b>                              | <b>364</b>          | <b>100.0%</b>           |

### 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%        |
| <b>Total</b>                              | <b>92.9%</b> | <b>7.1%</b> | <b>0.0%</b> |

## Manufacturers sales and use tax deferral (continued)

Percent distribution of employees by occupation class and hourly wage range

| Occupational Class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%              |
| <b>Total</b>                              | <b>2.2%</b>      | <b>31.9%</b>        | <b>32.1%</b>        | <b>18.4%</b>        | <b>10.2%</b>        | <b>5.2%</b>       |

## 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          |
| <b>Total</b>    | <b>11</b>    | <b>\$14,670,395</b> |

## 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%  |
| <b>Total</b>    | <b>2,017</b> | <b>55.7%</b>                           | <b>44.3%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$61,100,150</b> | <b>87.9%</b>                           | <b>12.1%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>1,967</b> | <b>98.0%</b> | <b>2.0%</b> | <b>0.0%</b> |

### 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%        |
| <b>Total</b>    | <b>\$59,791,196</b> | <b>99.3%</b> | <b>0.7%</b> | <b>0.0%</b> |

## 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          |
| <b>Total</b>    | <b>7</b>     | <b>\$2,818,438</b> |

### 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%  |
| <b>Total</b>    | <b>806</b>   | <b>71.0%</b>                           | <b>29.0%</b>                                 |

#### 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%  |
| <b>Total</b>    | <b>\$66,249,227</b> | <b>75.1%</b>                           | <b>24.9%</b>                                 |



## 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%        |
| <b>Total</b>    | <b>739</b>   | <b>96.2%</b> | <b>3.5%</b> | <b>0.3%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$55,450,811</b> | <b>99.3%</b> | <b>0.6%</b> | <b>0.0%</b> |

## 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          |
| <b>Total</b>    | <b>18</b>    | <b>\$42,164,677</b> |

## 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%  |
| <b>Total</b>    | <b>166,652</b> | <b>85.1%</b>                           | <b>14.9%</b>                                 |

### 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%   |
| <b>Total</b>    | <b>\$19,701,176,542</b> | <b>93.7%</b>                           | <b>6.3%</b>                                  |

## 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%        |
| <b>Total</b>    | <b>163,060</b> | <b>93.7%</b> | <b>3.4%</b> | <b>3.0%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$19,623,142,047</b> | <b>98.8%</b> | <b>0.8%</b> | <b>0.4%</b> |

#### 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%                    |
| <b>Total</b>                              | <b>163,060</b>      | <b>100.0%</b>           |

## 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%        |
| <b>Total</b>                              | <b>93.7%</b> | <b>3.4%</b> | <b>3.0%</b> |

Percent distribution of employees by occupation class and hourly wage range

| Occupational Class                        | Up to<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%             |
| <b>Total</b>                              | <b>1.5%</b>      | <b>5.2%</b>         | <b>6.2%</b>         | <b>5.5%</b>         | <b>25.0%</b>        | <b>56.6%</b>      |

## 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          |
| <b>Total</b>    | <b>71</b>    | <b>\$384,969,202</b> |

## 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%  |
| <b>Total</b>    | <b>252,737</b> | <b>62.7%</b>                           | <b>37.3%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$32,464,348,217</b> | <b>85.4%</b>                           | <b>14.6%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>230,931</b> | <b>87.1%</b> | <b>9.8%</b> | <b>3.1%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$31,347,532,607</b> | <b>97.0%</b> | <b>2.6%</b> | <b>0.4%</b> |

#### 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            |
| <b>Total</b>             | <b>90</b>  | <b>\$384,969,202</b> |

\*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        |
| <b>Total</b>    | <b>3</b>     | <b>\$5,286,334</b> |

## 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%  |
| <b>Total</b>    | <b>44,780</b> | <b>65.2%</b>                           | <b>34.8%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$2,885,273,313</b> | <b>79.1%</b>                           | <b>20.9%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>44,780</b> | <b>67.8%</b> | <b>25.3%</b> | <b>6.9%</b> |

### 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%        |
| <b>Total</b>    | <b>\$2,885,273,313</b> | <b>78.2%</b> | <b>20.6%</b> | <b>1.1%</b> |

### 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                |
| <b>Total</b>             | <b>3</b>               | <b>\$5,286,334</b> |

## 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        |
| <b>Total</b>    | <b>3</b>     | <b>\$6,226,340</b> |

### 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%  |
| <b>Total</b>    | <b>56</b>    | <b>16.1%</b>                           | <b>83.9%</b>                                 |

#### 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%  |
| <b>Total</b>    | <b>\$786,515</b> | <b>45.3%</b>                           | <b>54.7%</b>                                 |



## 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%        |
| <b>Total</b>    | <b>22</b>    | <b>63.6%</b> | <b>36.4%</b> | <b>0.0%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$600,021</b> | <b>88.7%</b> | <b>11.3%</b> | <b>0.0%</b> |

## 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          |
| <b>Total</b>    | <b>47</b>    | <b>\$49,787,907</b> |

### 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%  |
| <b>Total</b>    | <b>13,432</b> | <b>83.6%</b>                           | <b>16.4%</b>                                 |

#### 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%   |
| <b>Total</b>    | <b>\$1,314,024,915</b> | <b>93.9%</b>                           | <b>6.1%</b>                                  |

## 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%        |
| <b>Total</b>    | <b>12,723</b> | <b>93.4%</b> | <b>2.3%</b> | <b>4.3%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$1,286,084,157</b> | <b>98.0%</b> | <b>0.8%</b> | <b>1.2%</b> |

## 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           |
| <b>Total</b>    | <b>7</b>     | <b>\$138,772</b>  |

## 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%  |
| <b>Total</b>    | <b>335</b>   | <b>53.7%</b>                           | <b>46.3%</b>                                 |

### 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%  |
| <b>Total</b>    | <b>\$15,523,926</b> | <b>86.0%</b>                           | <b>14.0%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>335</b>   | <b>97.3%</b> | <b>2.7%</b> | <b>0.0%</b> |

### 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%        |
| <b>Total</b>    | <b>\$15,523,926</b> | <b>98.7%</b> | <b>1.3%</b> | <b>0.0%</b> |

## 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%                    |
| <b>Total</b>                              | <b>335</b>          | <b>100.0%</b>           |

### 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%        |
| <b>Total</b>                              | <b>99.4%</b> | <b>0.6%</b> | <b>0.0%</b> |

## 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<br>\$15.00 | \$15.01-<br>\$20.00 | \$20.01-<br>\$25.00 | \$25.01-<br>\$30.00 | \$30.01-<br>\$50.00 | \$50.01<br>& 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%              |
| <b>Total</b>                              | <b>40.3%</b>     | <b>19.7%</b>        | <b>5.1%</b>         | <b>12.5%</b>        | <b>13.1%</b>        | <b>9.3%</b>       |

## 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          |
| <b>Total</b>    | <b>15</b>    | <b>\$2,522,054</b> |

#### 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%   |
| <b>Total</b>    | <b>5,825</b> | <b>84.3%</b>                           | <b>15.7%</b>                                 |

##### 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%   |
| <b>Total</b>    | <b>\$451,806,227</b> | <b>91.1%</b>                           | <b>8.9%</b>                                  |

## 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%        |
| <b>Total</b>    | <b>5,545</b> | <b>99.9%</b> | <b>0.1%</b> | <b>0.0%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$444,484,965</b> | <b>100.0%</b> | <b>0.0%</b> | <b>0.0%</b> |



## 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           |
| <b>Total</b>    | <b>609</b>   | <b>\$13,750,521</b> |

## 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%  |
| <b>Total</b>    | <b>22,745</b> | <b>70.7%</b>                           | <b>29.3%</b>                                 |

### 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%   |
| <b>Total</b>    | <b>\$1,453,913,462</b> | <b>88.2%</b>                           | <b>11.8%</b>                                 |

## 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%        |
| <b>Total</b>    | <b>19,386</b> | <b>95.3%</b> | <b>3.2%</b> | <b>1.5%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$1,353,364,406</b> | <b>99.0%</b> | <b>0.8%</b> | <b>0.3%</b> |

## 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         |
| <b>Total</b>    | <b>3</b>     | <b>\$679,154</b>  |

### 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%  |
| <b>Total</b>    | <b>218</b>   | <b>71.6%</b>                           | <b>28.4%</b>                                 |

#### 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%   |
| <b>Total</b>    | <b>\$9,541,200</b> | <b>91.4%</b>                           | <b>8.6%</b>                                  |

### 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%        |
| <b>Total</b>    | <b>218</b>   | <b>87.2%</b> | <b>10.1%</b> | <b>2.8%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$9,541,200</b> | <b>97.8%</b> | <b>1.9%</b> | <b>0.3%</b> |

## 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           |
| <b>Total</b>    | <b>78</b>    | <b>\$516,498</b>  |

### 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%   |
| <b>Total</b>    | <b>27,521</b> | <b>95.4%</b>                           | <b>4.6%</b>                                  |

#### 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%   |
| <b>Total</b>    | <b>\$894,034,524</b> | <b>98.0%</b>                           | <b>2.0%</b>                                  |

## 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%        |
| <b>Total</b>    | <b>26,976</b> | <b>28.8%</b> | <b>71.0%</b> | <b>0.2%</b> |

#### 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%        |
| <b>Total</b>    | <b>\$885,315,334</b> | <b>31.7%</b> | <b>68.2%</b> | <b>0.1%</b> |

## 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         |
| <b>Total</b>    | <b>3</b>     | <b>\$691,919</b>  |

### 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%        |
| <b>Total</b>    | <b>9,085</b> | <b>87.6%</b> | <b>7.2%</b> | <b>5.2%</b> |

## 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          |
| <b>Total</b>    | <b>14</b>    | <b>\$3,500,000</b> |

## 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%  |
| <b>Total</b>    | <b>16,007</b> | <b>81.5%</b>                           | <b>18.5%</b>                                 |

### 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%   |
| <b>Total</b>    | <b>\$1,213,191,768</b> | <b>95.3%</b>                           | <b>4.7%</b>                                  |

## 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%        |
| <b>Total</b>    | <b>16,855</b> | <b>90.9%</b> | <b>8.2%</b> | <b>0.9%</b> |

### 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%        |
| <b>Total</b>    | <b>\$1,355,422,936</b> | <b>97.5%</b> | <b>2.3%</b> | <b>0.1%</b> |