
HOUSE BILL 1191

State of Washington

68th Legislature

2023 Regular Session

By Representatives Springer, Kretz, Dent, Santos, Walsh, Ramel, McEntire, Goodman, and Barnard

Prefiled 01/06/23.

1 AN ACT Relating to reauthorizing the business and occupation tax
2 deduction for cooperative finance organizations; adding a new section
3 to chapter 82.04 RCW; creating a new section; providing an effective
4 date; providing an expiration date; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
7 performance statement for the tax preference contained in section 2,
8 chapter . . . , Laws of 2023 (section 2 of this act). This performance
9 statement is only intended to be used for subsequent evaluation of
10 the tax preference. It is not intended to create a private right of
11 action by any party or to be used to determine eligibility for
12 preferential tax treatment.

13 (2) The legislature categorizes this tax preference as one
14 intended to provide tax relief for certain businesses or individuals,
15 as indicated in RCW 82.32.808(2)(e).

16 (3) It is the legislature's specific public policy objective to
17 reduce the tax burden on individuals and businesses imposed by the
18 existing business and occupation tax rates.

19 (4) If the review finds that at least one cooperative finance
20 organization in this state used the deduction, then the legislature
21 intends to extend the expiration date of this tax deduction.

1 (5) In order to obtain the data necessary to perform the review
2 in subsection (4) of this section, the joint legislative audit and
3 review committee may refer to any data collected by the state.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04
5 RCW to read as follows:

6 (1) In computing tax there may be deducted from the measure of
7 tax, amounts received by a cooperative finance organization where the
8 amounts are derived from loans to rural electric cooperatives or
9 other nonprofit or governmental providers of utility services
10 organized under the laws of this state.

11 (2) For the purposes of this section, the following definitions
12 apply:

13 (a) "Cooperative finance organization" means a nonprofit
14 organization with the primary purpose of providing, securing, or
15 otherwise arranging financing for rural electric cooperatives.

16 (b) "Rural electric cooperative" means a nonprofit, customer-
17 owned organization that provides utility services to rural areas.

18 (3) This section expires January 1, 2034.

19 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of
21 the state government and its existing public institutions, and takes
22 effect July 1, 2023.

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