

SPECIAL NOTICE

May 5, 2006

For further information contact:

Telephone Information Center
1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715
Teletype 1-800-451-7985

B&O Tax Credit and Training Assistance for New and Expanding Businesses

The new **Washington Customized Training Program** is a revolving loan fund that covers businesses' up-front training costs and provides a 50 percent business and occupation (B&O) tax credit to businesses locating or expanding in this state. The program will begin on June 7, 2006 and expire July 1, 2012. It is administered by the State Board for Community and Technical Colleges (SBCTC). (Second Substitute Senate Bill 6326)

Training Requirements

To qualify for the program, businesses must:

- Enter into an agreement with a community or technical college, or a state-licensed private career school for customized training.
- Partner with a training institution and apply to SBCTC for training allowance.
- Repay a quarter of the total amount of the training allowance to the SBCTC upon completion of the training. The remaining three-quarters must be paid over the next 18 months.
- Increase Washington-based employment by a minimum of 75 percent of the number of employees completing training during the calendar year the contract ends.

Businesses that have fewer than 50 employees will be given preference. No business may receive more than \$500,000 per calendar year. In addition, the SBCTC will determine a per employee cap for training allowances.

Tax Credit Details

Businesses will receive a business and occupation (B&O) tax credit for 50 percent of the value of their payment. The tax credit may not exceed the B&O tax amount due. Credits may be carried over until July 1, 2016.

Filing information:

- The *Customized Training Credit Worksheet* will be available on the Department of Revenue's web site at <http://dor.wa.gov>.

- The credit is taken on the “other credits” section of the excise tax return and the worksheet must be attached to the tax return.
- An electronic worksheet is available for businesses who file electronically through E-file.

Additional requirements

Businesses must file an annual survey with the Department of Revenue by April 30 of the year following the year a tax credit is taken. Failure to complete the annual survey in a timely manner may result in a tax balance equal to the credit previously taken, plus interest. The annual survey will be available the Department’s web site at <http://dor.wa.gov> prior to the due date.

For more information

More information on the **program** will become available at www.sbctc.ctc.edu. For specific information regarding training agreements and allowances, please contact Carolyn Cummins, SBCTC at (360) 704-4339.

Tax credit assistance is available at 1-800-647-7706 or <http://dor.wa.gov>.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.