



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 6, 2012

## B&O Tax Credit for Washington Customized Training Program Extended

### Summary

The Washington Customized Training Program (CTP) and the associated business and occupation (B&O) tax credit provided by [RCW 82.04.449](#) have been extended to July 1, 2017. ([Substitute Senate Bill \(SSB\) 6371](#))

The program, administered by the State Board for Community and Technical Colleges (SBCTC), is a revolving loan fund that provides assistance for training costs to businesses locating or expanding in Washington.

Participants in the CTP can earn B&O tax credit for 50 percent of the amount paid to the program up to July 1, 2017. All credits must be applied to returns filed with the Department by July 1, 2021.

### How the program works

Businesses interested in taking advantage of this revolving loan program and earning B&O tax credit must take the following steps.

- The business must:
  - Partner with an eligible training institution. Eligible training institutions include:
    - A Washington State community or technical college or
    - A Washington-located, private career school or college that is licensed by either the Workforce Training and Education Coordinating Board or the Higher Education Coordinating Board.
  - Apply to SBCTC for a training allowance (loan).
- After receiving an allowance, the business must send one or more employees to training.
- Upon completion of the training, the business must repay 25 percent of the total amount of the training allowance to the SBCTC.
- The business must repay the remaining 75 percent of the training costs over the next 18 months.

### Limits to the program

The following limits apply to the program:

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

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For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov> or call 1-800-647-7706. Teletype (TTY) users may call (360) 705-6718.

**Claiming B&O tax credit**

A B&O tax credit for 50 percent of the full cost of their training program is available to businesses participating in this program. A business may begin claiming the credit once a payment has been made to the SBCTC. The following restrictions apply:

- The tax credit claimed may not exceed the B&O tax amount due for the reporting period.
- Credits may be earned until July 1, 2017.
- Credits may be carried forward until July 1, 2021.
- No credit may be applied to a return on or after July 1, 2021.

**Filing requirements**

Businesses claiming B&O tax credits must:

- Electronically file tax returns and related documents.
- File a completed Customized Training Credit Worksheet (available through E-file).
- File an Annual Tax Incentive Survey with the Department by May 31 of the year following the year the credit is claimed.

**Additional information**

For information regarding the Washington Customized Training Program, visit the Washington State Board for Community and Technical Colleges' website at:

[http://www.sbctc.ctc.edu/college/\\_e-wkforcecustomizedtraining.aspx](http://www.sbctc.ctc.edu/college/_e-wkforcecustomizedtraining.aspx).

For help claiming the B&O tax credit, call our Telephone Information Center at 1-800-647-7706.