



PROPOSED STUDY QUESTIONS

Rural County and CEZ New Jobs (Business & Occupation Tax)

B&O tax credit enacted in 1986 for certain businesses that add new jobs in rural counties or community empowerment zones.

Manufacturing, R&D, and commercial testing businesses

- **\$4,000 per job** if annual wages & benefits are *more than* \$40,000.
- **\$2,000 per job** if annual wages & benefits are *equal to or less than* \$40,000.

Available in:

- **Rural counties**
- **Community empowerment zones**

- Businesses **apply** for credit and **report** employment to DOR.
- Must **increase employment at facility by 15%** within a year to receive credit.

Legislature stated public policy objective in 1997

Assist rural distressed areas in the state to address above average unemployment and below average job growth.

Goals set to:

- Promote ongoing, new, and expanded business activity in rural distressed areas.
- Provide family-wage jobs to citizens in rural distressed areas.



Study will address 4 questions

- 1 To what degree has the preference been used and how many new jobs have been created?
- 2 What are the wages for those new jobs and where are they located?
- 3 Are the qualifying areas experiencing above average unemployment or below average employment growth?
- 4 What is the estimated economic impact of the reported new jobs compared to the estimated economic impact of foregone revenue?

Contact Us

Research Analysts

Dana Lynn

360.786.5177

dana.lynn@leg.wa.gov

Eric Whitaker

360.786.5618

eric.whitaker@leg.wa.gov

Project Coordinator

Eric Thomas

360.786.5182

eric.thomas@leg.wa.gov

Preliminary Report:

July 2023

Legislative Auditor

Keenan Konopaski

360.786.5187

keenan.konopaski@leg.wa.gov

