



PROPOSED STUDY QUESTIONS

2024 Tax Preference Review: Customized Workforce Training

Eric Whitaker

September 2023



Program provides training assistance to Washington businesses

Available to businesses that offer training opportunities to their employees.

Businesses must coordinate and contract with the State Board for Community & Technical Colleges (SBCTC).

Preference associated with the SBCTC's Customized Training Program.

Businesses may earn B&O credit for qualified training programs

SBCTC pays the full cost from a revolving loan fund.

After training is complete, business repays the SBCTC over 18 months.

The value of the credit equals 50% of the training cost.

- Credits may be carried forward
- Expires July 1, 2026



Legislature's intent for the preference has changed since last JLARC review

2020: JLARC reviewed preference

Intent: Attract businesses to WA

Finding: Preference did not meet intent

Recommendation: Allow the credit to expire
Citizen Commission did not endorse

2021: Legislature modified the intent

Intent: Help retain and expand existing businesses

Expiration date: July 1, 2026

Legislature plans to extend the preference if 75% of participating businesses complete the training and repay the loan

Study Questions

1. To what extent have businesses continued to use the training credit since JLARC's review in 2020?
 - Number and types of businesses and their location
 - Number of employees trained and types of training offered
 - How long businesses have operated in Washington
2. What are the racial and ethnic characteristics of those who use the credit and the employees who are trained?
3. What percentage of businesses have completed the training and repaid the program loan from the SBCTC?

Next Steps

Preliminary Report

July 2024

Proposed Final Report

December 2024



Contact Us

Research Analysts

Eric Whitaker
360.786.5618
eric.whitaker@leg.wa.gov

Dana Lynn
360.786.5177
dana.lynn@leg.wa.gov

Project Coordinator

Stephanie Hoffman
360.786.5297
stephanie.hoffman@leg.wa.gov

Legislative Auditor

Eric Thomas
360.786.5182
eric.thomas@leg.wa.gov

