

RCW 82.04.4451 Credit against tax due—Maximum credit—Table.

(1) In computing the tax imposed under this chapter, a credit is allowed against the amount of tax otherwise due under this chapter, as provided in this section. Except for taxpayers that report at least 50 percent of their taxable amount under RCW 82.04.255, 82.04.290(2)(a), and 82.04.285, the maximum credit for a taxpayer for a reporting period is \$55 multiplied by the number of months in the reporting period, as determined under RCW 82.32.045. For a taxpayer that reports at least 50 percent of its taxable amount under RCW 82.04.255, 82.04.290(2)(a), and 82.04.285, the maximum credit for a reporting period is \$160 multiplied by the number of months in the reporting period, as determined under RCW 82.32.045.

(2) When the amount of tax otherwise due under this chapter is equal to or less than the maximum credit, a credit is allowed equal to the amount of tax otherwise due under this chapter.

(3) When the amount of tax otherwise due under this chapter exceeds the maximum credit, a reduced credit is allowed equal to twice the maximum credit, minus the tax otherwise due under this chapter, but not less than zero.

(4) The department may prepare a tax credit table consisting of tax ranges using increments of no more than five dollars and a corresponding tax credit to be applied to those tax ranges. The table shall be prepared in such a manner that no taxpayer will owe a greater amount of tax by using the table than would be owed by performing the calculation under subsections (1) through (3) of this section. A table prepared by the department under this subsection must be used by all taxpayers in taking the credit provided in this section. [2022 c 295 § 1; 2010 1st sp.s. c 23 § 1102; 1997 c 238 § 2; 1994 sp.s. c 2 § 1.]

Tax preference performance statement exemption—Automatic expiration date exemption—2022 c 295 § 1: "Section 1 of this act is exempt from RCW 82.32.805 and 82.32.808." [2022 c 295 § 4.]

Application—2022 c 295: "This act applies to reporting periods beginning on or after January 1, 2023." [2022 c 295 § 3.]

Effective date—2010 1st sp.s. c 23: See note following RCW 82.32.655.

Findings—Intent—2010 1st sp.s. c 23: See notes following RCW 82.04.220.

Findings—Intent—1997 c 238: "The legislature finds that many businesses have difficulty applying the small business credit under RCW 82.04.4451. Further, the legislature appreciates the valuable time and resources small businesses expend on calculating the amount of credit based upon a statutory formula. For the purpose of tax simplification, it is the intent of this act to direct the department of revenue to create a schedule, in standard increments, to replace required calculations for the small business credit. Each taxpayer can make reference to the taxpayer's tax range on the schedule and find the amount of the taxpayer's small business credit. Further, no taxpayer will owe a greater amount of tax nor will any taxpayer be responsible for a greater amount of taxes otherwise due." [1997 c 238 § 1.]

Effective date—1994 sp.s. c 2: "This act shall take effect on July 1, 1994." [1994 sp.s. c 2 § 5.]

Application to reporting periods—1994 sp.s. c 2 § 1: "Section 1 of this act applies to the entire period of reporting periods ending after July 1, 1994." [1994 sp.s. c 2 § 6.]