



STATE OF WASHINGTON
DEPARTMENT OF REVENUE
OFFICE OF THE DIRECTOR

P.O. Box 47454 • Tumwater, Washington 98504-7454 • 360-534-1600 • FAX 360-534-1606

December 28, 2021

TO: Brad Hendrickson, Secretary
Washington State Senate

Bernard Dean, Chief Clerk
Washington State House of Representatives

FROM: Vikki Smith, Director *Vikki Smith*

SUBJECT: Descriptive Statistics 2021 Report

The Revised Code of Washington (RCW 82.32.534) requires the Department of Revenue (department) to summarize data from the annual tax performance report for select tax incentive programs by December 31. This statute requires the department to summarize report information in descriptive statistics by category. No fewer than three taxpayers may be included in any category.

For Calendar Year 2020, 46 incentives required annual reports. This publication summarizes data from 1,921 reports and covers 30 incentives with three or more taxpayers (participants). The business and occupation tax, public utility tax, and sales and use tax incentives included in this report reduced state and local tax revenues by \$724 million in Calendar Year 2020. The participants reported over 787,000 employees located in Washington State as of December 31.

The department's Taxpayer Account Administration Division administers the annual tax performance report and is responsible for posting the public disclosure information on the department's website. The Research and Fiscal Analysis Division compiled the Descriptive Statistics.

The report is also available on our website at:
<https://dor.wa.gov/about/statistics-reports/descriptive-statistics>

If you have questions about this report, please contact Kathy Oline, Assistant Director, Research and Fiscal Analysis, at 360-534-1534.

Attachment

cc: Members, Senate Ways and Means Committee
Members, House Finance Committee
Members, House Appropriations Committee
David Schumacher, Director, Office of Financial Management
Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor

This page intentionally left blank.

Descriptive Statistics for Tax Incentive Programs

2021 Report to the Legislature

Covering Calendar Year 2020 Activity

Vikki Smith, Director

Washington State Department of Revenue

December 2021



This page intentionally left blank.

Table of Contents

Executive summary	1
Understanding this publication	3
Overview of tax incentives.....	5
Chapter 1 – Aerospace industry	7
Aerospace computer, software and peripheral sales and use tax exemption	7
Aerospace FAR Part 145 repair station reduced business and occupation tax rate	9
Aerospace manufacturers reduced business and occupation tax rates	12
Aerospace preproduction expenditures business and occupation tax credit	15
Aerospace product development reduced business and occupation tax rate.....	18
Aerospace property and leasehold excise taxes business and occupation tax credit	21
Chapter 2 – Agriculture industry	23
Agricultural crop protection products hazardous substance tax exemption	23
Agricultural sales and use tax deferral	24
Dairy product manufacturers business and occupation tax deduction	25
Fruit and vegetable processors business and occupation tax exemption	26
Seafood processors business and occupation tax exemption	28
Chapter 3 – Employer credit programs	29
Customized employment training business and occupation tax credit	29
Veteran employer business and occupation tax credit	32
Chapter 4 – General manufacturing industry	35
High unemployment county sales and use tax deferral	35
Manufacturers sales and use tax deferral	38
Rural county sales and use tax deferral	41
Chapter 5 – High technology industry	42
Biotechnology sales and use tax deferral	42
Data center sales and use tax exemption	44
High technology sales and use tax deferral	47
Public research institution equipment sales and use tax exemption	49
Chapter 6 – Renewable energy industry.....	50
Renewable energy light and power business public utility tax credit	50
Solar energy systems manufacturers or wholesalers reduced B&O tax rates	52
Chapter 7 – Timber industry	55
Hog fuel sales and use tax exemption (by facility)	55
Timber and wood products reduced business and occupation tax rates	57
Chapter 8 – Other programs	59
Newspaper reduced business and occupation tax rate.....	59
Tribal owned property used for economic development.....	61
Washington Filmworks contributors business and occupation tax credit.....	62

This page intentionally left blank

Executive summary

The Revised Code of Washington (RCW 82.32.534) requires the Department of Revenue (department) to summarize data from the annual tax performance report for select tax incentive programs by December 31. Taxpayers (participants) must file their report by May 31 for incentives claimed the preceding year. Prior to the due date, the department makes a concerted effort to remind known participants of their filing requirement(s). Participants submitting their report after the due date may qualify for an extension. If they do not qualify for an extension, they must pay back a portion of the incentive claimed. The department included late filings in our analysis since the participant received a portion of the incentive.

The annual tax performance report requires all participants to provide the tax incentive amount as well as employment data. Participants report Washington employment data in two separate tables. The first table represents employment and wages for the entire calendar year. The second table represents the annual employment and wages based on those employed as of December 31 of the year covered by this report. To simplify reporting, participants can authorize the department to obtain employment information directly from the Employment Security Department for the first table. Based on the incentive selected, the electronic report may present additional questions relating to employment and incentive activity.

During 2020, the COVID-19 pandemic impacted the global economy including Washington. The Governor issued a stay-at-home order starting March 23, 2020, which required businesses to temporarily close to in-person interactions. As the year progressed, the restrictions loosened, and businesses could slowly reopen. Compared to prior years, the incentives and employee data for industries affected by the pandemic declined.

This publication represents information provided by participants and corrections made during the department's review. For Calendar Year 2020, 46 tax incentive programs required an annual tax performance report with only 40 programs reporting activity. The summarized data with corrections is as of October 25, 2021, except as noted.

2020 Incentive Highlights

Most participants by incentive program	Number of participants
Timber industry reduced business and occupation (B&O) tax rate	619
Aerospace manufacturing reduced B&O tax rate	340
Fruit and vegetable processors B&O tax exemption	237
Aerospace product development reduced B&O tax rate	138
Largest revenue impact by incentive program	Tax saved (millions)
High technology sales and use tax deferral	\$391
Data centers sales and use tax exemption	\$70
Aerospace preproduction expenditures B&O tax credit	\$56
Renewable energy light and power business public utility tax credit	\$49
Washington employment by incentive program as of December 31, 2020	Number of jobs
High technology sales and use tax deferral	232,106
Data center sales and use tax exemption	139,520
Aerospace manufacturing incentives	77,898
Aerospace preproduction expenditures B&O tax credit	62,614

Incentives with no annual tax performance report filed for 2020

- Aerospace FAR part 145 repair station sales and use tax exemption.
- Aerospace leasehold tax exemption for superefficient airplane manufacturers.
- Aerospace personal property tax exemption for superefficient airplane manufacturers.
- Aluminum smelters use tax exemption for compressed/liquefied natural gas.
- Corporate headquarters facilities sales and use tax deferral.
- Veteran employer public utility tax credit.

Incentives – confidential taxpayer information

Fewer than three taxpayers utilized each of the incentives below; therefore, the department excluded these incentives from this publication due to restrictions on the disclosure of confidential taxpayer information.

- Aerospace manufacturing site sales and use tax exemption.
- Aluminum smelters property tax B&O tax credit.
- Aluminum smelters reduced B&O tax rate.
- Aluminum smelters sales and use tax credit.
- Electrolytic processing industry tax incentives.
- Gas distribution business sales and use tax exemption.
- Semiconductor manufacturers reduced B&O rate.
- Semiconductor sales and use tax exemption.
- Solar energy systems manufacturers or processors sales and use tax exemption.
- Standard financial information sales and use tax exemption.

The rest of this publication provides detailed information by incentive program.

Understanding this publication

Combining data

Participants can file multiple incentives on one annual tax performance report. The employee count for each report represents the total employees in Washington for the participant and not by incentive. Therefore, each incentive filed by the participant will have the same employee count throughout this publication. As a result, adding the employee counts for multiple incentives may overstate the number of employees.

Incentive amounts

Participants declare tax savings on the report. The tax savings calculations differ by incentive type as listed below:

- Credits taken against B&O or public utility tax.
- Deductions or exemptions from B&O tax.
- Deferrals or exemptions from sales and use tax.
- Preferential B&O tax rates, for which the participant reports the difference in tax liability between the preferred and general rates.

Deferral programs

For the sales and use tax deferral programs, the revenue reflects total state and local tax deferred for each qualified project. Participants declare the total amount for eight years, starting the year after the project is operationally complete. Therefore, adding the total deferral amounts for each year will result in overstated deferred amounts.

Data tables

This report presents five tables for each incentive.

- The first table reflects the incentive amounts and number of participants by employment size.
- The second and third tables represent the annual employment data for the calendar year.
- The fourth and fifth tables summarize the annual employment data for employees employed on December 31, 2020.

Ten incentives have three additional employment tables.

- The sixth table displays the employee count and percentage by occupation.
- The seventh table provides the percentage of employees by employment status and occupation class.
- The eighth table lists the percent distribution of employees by occupation and hourly wage table.

The totals in the tables may not add to 100% or may be slightly more than 100% due to rounding. The high technology sales and use tax deferral and the public institution sales and use tax exemption declare tax incentive savings in each high technology category.

Employment data used to group participants

The annual tax performance report requests employment data for the entire calendar year and employment data as of December 31. Employment data for the calendar year has the same or more employees than the amount reported as of December 31. This report groups participants by total employees as of December 31. Incentives with more employees in the entire calendar year than employees on December 31 may create some disparity between employment size and total number of employees in the data tables.

Overview of tax incentives for Calendar Year 2020

Tax incentives by major industry	Participants	Total jobs ¹	Tax savings
Aerospace			
Computer, software, and peripheral sales and use tax exemption	21	58,225	\$8,456,442
FAR Part 145 station reduced B&O tax rate	36	3,577	\$471,948
Manufacturers reduced B&O tax rates	340	77,898	\$12,737,220
Manufacturing site sales and use tax exemption ²	CTI	CTI	CTI
Preproduction expenditures B&O tax credit	59	62,614	\$55,726,277
Product development reduced B&O tax rate	138	4,345	\$1,579,285
Property and leasehold taxes B&O tax credit	25	61,261	\$22,126,728
Agricultural products			
Agricultural crop protection products hazardous substance tax exemption	3	691	\$155,463
Agricultural sales and use tax deferral	12	6,908	\$17,222,372
Dairy products manufacturers B&O tax exemption	26	2,486	\$5,437,902
Fruit and vegetable processors B&O tax exemption	237	14,138	\$13,475,764
Seafood processors B&O tax exemption	35	3,821	\$2,879,315
Employer credits			
Customized employment training B&O tax credit	13	2,025	\$86,073
Veteran employer B&O tax credit	20	2,249	\$38,013
General manufacturing			
High unemployment sales and use tax deferrals	69	13,310	\$32,964,581
Manufacturers sales and use tax deferral	4	327	\$1,638,834
Rural county sales and use tax deferral	4	278	\$10,938,403
High technology and computing			
Biotechnology sales and use tax deferral	7	822	\$2,818,438
Data center sales and use tax exemption	17	139,520	\$69,560,894
High technology sales and use tax deferral	60	232,106	\$391,182,757
Public research institution equipment sales and use tax exemption	3	47,391	\$5,605,349
Renewable energy			
Renewable energy light and power business PUT credit	48	12,760	\$48,991,962
Solar energy systems manufacturers or wholesalers reduced B&O tax rate	6	404	\$101,617
Solar energy systems sales and use tax exemption ²	CTI	CTI	CTI
Timber			
Hog fuel sales and use tax exemption	15	4,949	\$2,500,674
Timber and wood products reduced B&O tax rate	619	17,499	\$13,090,515

¹Total jobs as of December 31, 2020.

²Fewer than three participants; therefore, confidential taxpayer information (CTI).

Overview of tax incentives for Calendar Year 2020

Tax incentives by major industry	Participants	Total jobs ¹	Tax savings
Other programs			
Aluminum smelters property tax B&O tax credit ²	CTI	CTI	CTI
Aluminum smelters reduced B&O tax rate ²	CTI	CTI	CTI
Aluminum smelters sales and use tax credit ²	CTI	CTI	CTI
Electrolytic processing industry incentives ²	CTI	CTI	CTI
Gas distribution business sales and use tax exemption ²	CTI	CTI	CTI
Newspaper reduced B&O tax rate	77	2,481	\$439,376
Semiconductor manufacturers reduced B&O tax rate ²	CTI	CTI	CTI
Semiconductor sales and use tax exemption ²	CTI	CTI	CTI
Standard financial information sales and use tax exemption ²	CTI	CTI	CTI
Tribal owned property used for economic development	3	8,082	\$228,159
Washington Filmworks contributors B&O tax credit	10	7,006	\$3,318,429

¹Total jobs as of December 31, 2020.

²Fewer than three participants; therefore, confidential taxpayer information (CTI).

Chapter 1 – Aerospace industry

Ten aerospace industry incentives require participants to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

Aerospace computer, software, and peripherals sales and use tax exemption

Computer hardware, software, and peripherals used primarily to develop, design, or engineer aerospace products or provide aerospace services are exempt from retail sales and use tax. Any charge for labor and services rendered in respect to the installation of the equipment is also exempt. This exemption expires July 1, 2040 (RCW 82.08.975; RCW 82.12.975).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	12	\$74,823
50 or more	9	8,381,619
Total	21	\$8,456,442

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	165	84.8%	15.2%
50 or more	58,467	99.2%	0.8%
Total	58,632	99.2%	0.8%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$18,640,709	94.3%	5.7%
50 or more	8,282,312,368	99.8%	0.2%
Total	\$8,300,953,077	99.8%	0.2%

Aerospace computer, software, and peripherals sales and use tax exemption

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	156	94.9%	2.6%	2.6%
50 or more	58,069	99.8%	0.1%	0.0%
Total	58,225	99.8%	0.1%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$18,240,905	99.2%	0.7%	0.0%
50 or more	8,264,550,282	99.9%	0.1%	0.0%
Total	\$8,282,791,187	99.9%	0.1%	0.0%

Aerospace FAR Part 145 repair stations reduced B&O tax rate

Qualified aircraft repair facilities certified by the Federal Aviation Administration as a “FAR Part 145” repair facility receive a reduced B&O tax rate of 0.2904%. Without the preferential rate, these businesses would be subject to the 0.471% rate applicable to the retailing of interstate transportation equipment. The preferred B&O tax rate expires July 1, 2040 (RCW 82.04.250).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	23	\$118,680
50 to 250	10	173,656
More than 250	3	179,612
Total	36	\$471,948

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	440	64.5%	35.5%
50 to 250	1,974	59.3%	40.7%
More than 250	2,458	71.8%	28.2%
Total	4,872	66.1%	33.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$21,834,174	84.4%	15.6%
50 to 250	90,385,900	79.9%	20.1%
More than 250	180,795,944	82.8%	17.2%
Total	\$293,016,018	82.0%	18.0%

Aerospace FAR Part 145 repair stations reduced B&O tax rate

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	338	96.4%	3.3%	0.3%
50 to 250	1,421	99.6%	0.1%	0.4%
More than 250	1,818	94.4%	4.0%	1.6%
Total	3,577	96.7%	2.3%	1.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$19,889,211	98.1%	1.5%	0.4%
50 to 250	77,693,002	99.8%	0.1%	0.2%
More than 250	169,217,586	98.8%	1.1%	0.1%
Total	\$266,799,799	99.0%	0.8%	0.2%

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	295	8.2%
Business, financial, and legal operations	98	2.7%
Computer, math, architect, and engineer	679	19.0%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	1	0.0%
Healthcare practitioners and support	0	0.0%
Protective services and maintenance	29	0.8%
Sales and service	105	2.9%
Office and administrative support	368	10.3%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	935	26.1%
Production and non-construction trades	974	27.2%
Transportation and material moving	91	2.5%
Other	2	0.1%
Total	3,577	100.0%

Aerospace FAR Part 145 repair stations reduced B&O tax rate

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	98.0%	2.0%	0.0%
Business, financial, and legal operations	98.0%	2.0%	0.0%
Computer, math, architect, and engineer	97.3%	2.5%	0.1%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%
Protective services and maintenance	100.0%	0.0%	0.0%
Sales and service	100.0%	0.0%	0.0%
Office and administrative support	94.8%	5.2%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	95.7%	4.2%	0.1%
Production and non-construction trades	97.1%	2.9%	0.0%
Transportation and material moving	94.5%	5.5%	0.0%
Other	100.0%	0.0%	0.0%
Total	96.7%	3.2%	0.1%

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01-\$20.00	\$20.01-\$25.00	\$25.01-\$30.00	\$30.01-\$50.00	\$50.01 & over
Management	0.0%	0.0%	0.3%	1.0%	36.9%	61.7%
Business, financial, and legal operations	0.0%	3.1%	10.2%	11.2%	51.0%	24.5%
Computer, math, architect, and engineer	0.0%	0.3%	2.2%	3.2%	48.2%	46.1%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective services and maintenance	0.0%	20.7%	3.4%	44.8%	27.6%	3.4%
Sales and service	0.0%	2.9%	15.2%	9.5%	34.3%	38.1%
Office and administrative support	6.8%	20.4%	19.6%	23.4%	27.2%	2.7%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	6.4%	25.9%	18.4%	19.1%	29.6%	0.5%
Production and non-construction trades	1.2%	32.6%	25.1%	25.6%	15.2%	0.3%
Transportation and material moving	1.1%	44.0%	22.0%	13.2%	14.3%	5.5%
Other	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Total	2.7%	19.3%	15.4%	16.4%	29.9%	16.3%

Aerospace manufacturers reduced B&O tax rates

Manufacturers of commercial airplanes or components of commercial airplanes, as well as tooling used in the production of commercial aircraft, receive a preferential B&O tax rate of 0.2904% until March 31, 2020. The incentive amounts in the first table reflect three months of tax savings. Beginning April 1, 2020, B&O tax rates reverted to 0.484% for manufacturing and wholesaling and 0.471% for retailing (RCW 82.04.260(11)).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	246	\$892,198
50 to 250	70	1,009,040
More than 250	24	10,835,982
Total	340	\$12,737,220

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	3,409	60.3%	39.7%
50 to 250	11,279	61.2%	38.8%
More than 250	70,447	93.7%	6.3%
Total	85,135	88.1%	11.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarter	Employees who worked less than four quarters
Less than 50	\$179,156,907	81.6%	18.4%
50 to 250	550,767,659	80.4%	19.6%
More than 250	8,994,594,632	97.9%	2.1%
Total	\$9,724,519,198	96.6%	3.4%

Aerospace manufacturers reduced B&O tax rates

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	2,244	94.4%	5.2%	0.4%
50 to 250	7,722	98.3%	1.5%	0.1%
More than 250	67,932	99.7%	0.2%	0.1%
Total	77,898	99.4%	0.4%	0.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$152,353,433	97.8%	1.9%	0.3%
50 to 250	461,673,259	99.3%	0.6%	0.1%
More than 250	8,916,771,613	99.9%	0.1%	0.0%
Total	\$9,530,798,305	99.9%	0.1%	0.0%

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	6,806	8.7%
Business, financial, and legal operations	5,229	6.7%
Computer, math, architect, and engineer	18,591	23.9%
Life, physical, and social science	216	0.3%
Community and social services	5	0.0%
Education, training, and library	120	0.2%
Healthcare practitioners and support	47	0.1%
Protective services and maintenance	1,333	1.7%
Sales and service	814	1.0%
Office and administrative support	3,111	4.0%
Construction and extraction	82	0.1%
Installation, maintenance, and repair	4,140	5.3%
Production and non-construction trades	34,419	44.2%
Transportation and material moving	1,467	1.9%
Other	1,518	1.9%
Total	77,898	100.0%

Aerospace manufacturers reduced B&O tax rates

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	99.9%	0.1%	0.0%
Business, financial, and legal operations	99.6%	0.4%	0.0%
Computer, math, architect, and engineer	99.4%	0.5%	0.1%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	100.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners and support	100.0%	0.0%	0.0%
Protective services and maintenance	99.8%	0.2%	0.0%
Sales and service	99.1%	0.9%	0.0%
Office and administrative support	98.7%	1.3%	0.0%
Construction and extraction	98.8%	1.2%	0.0%
Installation, maintenance, and repair	99.9%	0.1%	0.0%
Production and non-construction trades	99.4%	0.5%	0.0%
Transportation and material moving	99.9%	0.1%	0.0%
Other	99.5%	0.5%	0.0%
Total	99.5%	0.5%	0.1%

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01-\$20.00	\$20.01-\$25.00	\$25.01-\$30.00	\$30.01-\$50.00	\$50.01 & over
Management	0.1%	0.2%	0.2%	0.6%	9.5%	89.5%
Business, financial, and legal operations	0.0%	0.5%	1.4%	3.8%	44.0%	50.2%
Computer, math, architect, and engineer	0.0%	0.2%	0.8%	1.9%	28.8%	68.2%
Life, physical, and social science	0.0%	0.5%	6.0%	12.0%	46.3%	35.2%
Community and social services	0.0%	80.0%	20.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	9.2%	1.7%	2.5%	34.2%	52.5%
Healthcare practitioners and support	0.0%	0.0%	0.0%	21.3%	53.2%	25.5%
Protective services and maintenance	0.5%	24.0%	15.5%	4.3%	42.6%	13.1%
Sales and service	0.2%	3.2%	5.4%	9.2%	28.7%	53.2%
Office and administrative support	0.7%	9.8%	12.2%	14.1%	42.1%	21.0%
Construction and extraction	1.2%	12.2%	2.4%	3.7%	80.5%	0.0%
Installation, maintenance, and repair	1.3%	2.3%	3.8%	5.9%	86.4%	0.4%
Production and non-construction trades	2.0%	12.2%	21.1%	9.1%	53.5%	2.1%
Transportation and material moving	1.5%	10.5%	7.8%	5.0%	61.4%	13.8%
Other	1.6%	2.4%	1.1%	2.3%	34.1%	58.4%
Total	1.1%	6.7%	10.8%	6.0%	43.7%	31.6%

Aerospace preproduction expenditures B&O tax credit

Businesses engaged in aerospace product development are eligible for a B&O tax credit equal to 1.5% of qualified expenditures. Qualified expenditures include research, design, and engineering costs incurred in the development of aerospace products. Qualified expenditures exclude actual production-related costs. Commercial airplane and component manufacturers are eligible for the credit on expenditures incurred after December 1, 2003. Others are eligible for the credit on expenditures incurred after June 30, 2008. This credit expires July 1, 2040 (RCW 82.04.4461).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	38	\$467,519
50 to 250	15	1,412,088
More than 250	6	53,846,671
Total	59	\$55,726,277

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked all four quarters
Less than 50	648	53.9%	46.1%
50 to 250	2,838	57.8%	42.2%
More than 250	61,971	97.4%	2.6%
Total	65,457	95.3%	4.7%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked all four quarters
Less than 50	\$51,972,778	73.4%	26.6%
50 to 250	202,312,821	76.7%	23.3%
More than 250	8,470,201,731	99.4%	0.6%
Total	\$8,724,487,330	98.7%	1.3%

Aerospace preproduction expenditures B&O tax credit

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	425	92.9%	5.9%	1.2%
50 to 250	1,792	97.9%	1.7%	0.4%
More than 250	60,397	99.7%	0.2%	0.0%
Total	62,614	99.6%	0.3%	0.0%

Percent of wages by employment status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	\$43,168,920	96.5%	2.8%	0.7%
50 to 250	164,606,205	98.5%	1.4%	0.2%
More than 250	8,417,124,313	99.9%	0.1%	0.0%
Total	\$8,624,899,438	99.9%	0.1%	0.0%

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	5,724	9.1%
Business, financial, and legal operations	4,838	7.7%
Computer, math, architect, and engineer	16,973	27.1%
Life, physical, and social science	155	0.2%
Community and social services	0	0.0%
Education, training, and library	99	0.2%
Healthcare practitioners and support	38	0.1%
Protective services and maintenance	1,242	2.0%
Sales and service	396	0.6%
Office and administrative support	1,839	2.9%
Construction and extraction	78	0.1%
Installation, maintenance, and repair	3,972	6.3%
Production and non-construction trades	24,575	39.2%
Transportation and material moving	1,197	1.9%
Other	1,488	2.4%
Total	62,614	100.0%

Aerospace preproduction expenditures B&O tax credit

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	99.9%	0.1%	0.0%
Business, financial, and legal operations	99.8%	0.2%	0.0%
Computer, math, architect, and engineer	99.3%	0.7%	0.0%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners and support	100.0%	0.0%	0.0%
Protective services and maintenance	100.0%	0.0%	0.0%
Sales and service	100.0%	0.0%	0.0%
Office and administrative support	98.8%	1.2%	0.0%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	99.1%	0.9%	0.0%
Production and non-construction trades	100.0%	0.0%	0.0%
Transportation and material moving	99.6%	0.4%	0.0%
Other	99.6%	0.4%	0.0%
Total	99.7%	0.3%	0.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01-\$20.00	\$20.01-\$25.00	\$25.01-\$30.00	\$30.01-\$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	0.1%	4.8%	95.1%
Business, financial, and legal operations	0.0%	0.1%	0.5%	2.6%	43.9%	52.9%
Computer, math, architect, and engineer	0.0%	0.1%	0.2%	1.2%	24.7%	73.8%
Life, physical, and social science	0.0%	0.0%	0.0%	0.6%	55.5%	43.9%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	1.0%	0.0%	36.4%	62.6%
Healthcare practitioners and support	0.0%	0.0%	0.0%	18.4%	52.6%	28.9%
Protective services and maintenance	0.0%	23.8%	15.7%	3.5%	43.2%	13.9%
Sales and service	0.0%	0.3%	1.0%	3.3%	17.4%	78.0%
Office and administrative support	0.9%	3.6%	5.1%	8.5%	50.6%	31.2%
Construction and extraction	0.0%	11.5%	2.6%	3.8%	82.1%	0.0%
Installation, maintenance, and repair	0.0%	2.5%	4.0%	6.3%	87.0%	0.2%
Production and non-construction trades	0.1%	3.5%	21.1%	4.2%	68.4%	2.7%
Transportation and material moving	0.1%	3.3%	3.3%	3.8%	73.3%	16.3%
Other	0.5%	2.4%	0.9%	2.1%	34.5%	59.6%
Total	0.1%	2.3%	9.2%	3.1%	47.9%	37.5%

Aerospace product development reduced B&O tax rate

Businesses developing aerospace products for others pay a preferential B&O tax rate of 0.9%, rather than the general services rate of 1.5%. The preferential rate expires on July 1, 2040 (RCW 82.04.290).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	121	\$460,668
50 to 250	13	985,932
More than 250	4	132,685
Total	138	\$1,579,285

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	674	57.9%	42.1%
50 to 250	1,914	65.2%	34.8%
More than 250	2,920	65.1%	34.9%
Total	5,508	64.2%	35.8%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarter	Employees who worked less than four quarters
Less than 50	\$52,607,603	77.8%	22.2%
50 to 250	173,439,965	82.1%	17.9%
More than 250	203,853,652	77.3%	22.7%
Total	\$429,901,220	79.3%	20.7%

Aerospace product development reduced B&O tax rate

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	534	90.4%	8.4%	1.1%
50 to 250	1,553	93.8%	6.1%	0.2%
More than 250	2,258	82.0%	3.1%	14.9%
Total	4,345	87.2%	4.8%	8.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$46,395,441	95.6%	3.7%	0.7%
50 to 250	155,651,758	96.9%	2.9%	0.2%
More than 250	184,546,710	95.7%	0.9%	3.4%
Total	\$386,593,909	96.2%	2.1%	1.8%

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	401	9.2%
Business, financial, and legal operations	148	3.4%
Computer, math, architect, and engineer	1,558	35.9%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	3	0.1%
Healthcare practitioners and support	0	0.0%
Protective services and maintenance	33	0.8%
Sales and service	397	9.1%
Office and administrative support	309	7.1%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	515	11.9%
Production and non-construction trades	893	20.6%
Transportation and material moving	88	2.0%
Other	0	0.0%
Total	4,345	100.0%

Aerospace product development reduced B&O tax rate

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	98.3%	1.7%	0.0%
Business, financial, and legal operations	87.8%	12.2%	0.0%
Computer, math, architect, and engineer	94.5%	5.3%	0.2%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%
Protective services and maintenance	100.0%	0.0%	0.0%
Sales and service	99.7%	0.3%	0.0%
Office and administrative support	89.6%	10.4%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	93.4%	6.6%	0.0%
Production and non-construction trades	94.7%	5.2%	0.1%
Transportation and material moving	94.3%	5.7%	0.0%
Other	0.0%	0.0%	0.0%
Total	94.7%	5.2%	0.1%

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01-\$20.00	\$20.01-\$25.00	\$25.01-\$30.00	\$30.01-\$50.00	\$50.01 & over
Management	0.2%	0.0%	0.2%	2.0%	30.9%	66.6%
Business, financial, and legal operations	0.0%	4.1%	3.4%	10.1%	50.0%	32.4%
Computer, math, architect, and engineer	0.0%	0.2%	0.9%	3.1%	35.0%	60.8%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	66.7%	33.3%
Healthcare practitioners and support	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective services and maintenance	0.0%	15.2%	9.1%	30.3%	39.4%	6.1%
Sales and service	12.3%	21.2%	9.6%	7.8%	27.0%	22.2%
Office and administrative support	3.6%	17.2%	15.2%	19.7%	36.6%	7.8%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	1.0%	22.1%	15.7%	20.6%	38.4%	2.1%
Production and non-construction trades	0.7%	22.2%	22.3%	32.0%	22.4%	0.4%
Transportation and material moving	1.1%	45.5%	20.5%	13.6%	13.6%	5.7%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	1.7%	11.6%	9.3%	13.3%	32.0%	32.2%

Aerospace property and leasehold excise taxes B&O tax credit

Manufacturers of commercial airplanes or commercial airplane components qualify for a B&O tax credit for state and local property taxes paid on land and buildings constructed after December 1, 2003, and used exclusively to manufacture commercial airplanes or components. The credit is also available for leasehold excise taxes paid on land and buildings constructed after January 1, 2006, and used exclusively for the same purposes.

Manufacturers of tooling specifically designed for use in manufacturing commercial airplanes, persons providing aerospace product development, and persons providing aerospace services qualify for a B&O tax credit for state and local property or leasehold excise taxes paid on land and buildings constructed after June 30, 2008. These credits expire July 1, 2040 (RCW 82.04.4463).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	9	\$180,044
50 to 250	11	779,587
More than 250	5	21,167,098
Total	25	\$22,126,728

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	475	56.8%	43.2%
50 to 250	1,695	67.8%	32.2%
More than 250	61,041	97.7%	2.3%
Total	63,211	96.6%	3.4%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$20,637,961	81.2%	18.8%
50 to 250	93,966,562	79.0%	21.0%
More than 250	8,417,057,242	99.4%	0.6%
Total	\$8,531,661,765	99.1%	0.9%

Aerospace property and leasehold excise taxes B&O tax credit

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	284	97.5%	2.5%	0.0%
50 to 250	1,180	96.3%	3.6%	0.2%
More than 250	59,797	99.9%	0.1%	0.0%
Total	61,261	99.8%	0.2%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$17,501,876	98.8%	1.2%	0.0%
50 to 250	76,220,572	97.5%	2.4%	0.1%
More than 250	8,384,126,082	99.9%	0.1%	0.0%
Total	\$8,477,848,530	99.9%	0.1%	0.0%

Chapter 2 - Agriculture industry

Five agriculture industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

Agricultural crop protection products hazardous substance tax exemption

Pesticides or insecticides intended for agricultural crop protection by farmers or certified applicators are exempt from the state hazardous substance tax. The pesticides or insecticides must be warehoused in Washington or transported to or from the state without being used in the state. The products cannot be packaged, repackaged, or manufactured in the state (RCW 82.21.040).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 600	3	\$155,463
Total	3	\$155,463

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	715	69.7%	30.3%
Total	715	69.7%	30.3%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	\$49,595,578	85.2%	14.8%
Total	\$49,595,578	85.2%	14.8%

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	691	92.8%	6.2%	1.0%
Total	691	92.8%	6.2%	1.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$42,738,283	95.0%	3.6%	1.4%
Total	\$42,738,283	95.0%	3.6%	1.4%

Agricultural sales and use tax deferral

Participants who process fresh fruit and vegetables, operate cold storage warehouses for storing such products, engage in research and development (R&D) activities related to processing of such products, or manufacture dairy products or seafood products are eligible for a deferral and waiver of sales and use taxes on investment projects. The deferral applies to construction or expansion of eligible facilities or acquisition of new equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2012 (RCW 82.74).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	8	\$11,526,148
More than 250	4	\$5,696,224
Total	12	\$17,222,372

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	1,261	43.1%	56.9%
More than 250	7,013	72.0%	28.0%
Total	8,274	67.6%	32.4%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$28,955,295	80.7%	19.3%
More than 250	374,331,484	90.7%	9.3%
Total	\$403,286,779	90.0%	10.0%

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	706	75.2%	23.1%	1.7%
More than 250	6,202	94.9%	4.6%	0.5%
Total	6,908	92.9%	6.5%	0.6%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$24,758,678	89.8%	9.9%	0.3%
More than 250	361,982,437	97.9%	2.0%	0.1%
Total	\$386,741,115	97.3%	2.5%	0.1%

Dairy product manufacturers B&O tax deduction

Manufacturers and wholesalers of dairy products and by-products are exempt from the manufacturing and wholesaling B&O tax rate of 0.484%. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items becomes taxable under the preferential B&O tax rate of 0.138% (RCW 82.04.4268).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	15	\$104,367
50 or more	11	5,333,535
Total	26	\$5,437,902

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	254	37.4%	62.6%
50 or more	2,657	70.5%	29.5%
Total	2,911	67.6%	32.4%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$4,139,690	78.0%	22.0%
50 or more	157,782,223	92.4%	7.6%
Total	\$161,921,913	92.0%	8.0%

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	162	48.8%	37.7%	13.6%
50 or more	2,324	92.7%	5.9%	1.3%
Total	2,486	89.9%	8.0%	2.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$3,623,021	83.8%	14.7%	1.5%
50 or more	155,942,017	97.0%	2.7%	0.2%
Total	\$159,565,038	96.7%	3.0%	0.3%

Fruit and vegetable processors B&O tax exemption

Manufacturers and wholesalers (selling for interstate transport) of canned, preserved, dehydrated, or frozen fruit or vegetable products are exempt from the manufacturing and wholesaling B&O tax rate of 0.484%. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items becomes taxable under the preferential B&O tax rate classification of 0.138% (RCW 82.04.4266).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	194	\$1,461,301
50 to 250	27	2,519,987
More than 250	16	9,494,476
Total	237	\$13,475,764

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	3,712	34.8%	65.2%
50 to 250	8,041	24.4%	75.6%
More than 250	13,759	44.9%	55.1%
Total	25,512	37.0%	63.0%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$65,579,362	74.4%	25.6%
50 to 250	164,916,249	64.1%	35.9%
More than 250	424,478,546	82.4%	17.6%
Total	\$654,974,157	77.0%	23.0%

Fruit and vegetable processors B&O tax exemption

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	2,026	38.0%	55.4%	6.6%
50 to 250	2,870	74.6%	13.9%	11.4%
More than 250	9,242	68.6%	10.0%	21.4%
Total	14,138	65.4%	17.3%	17.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$52,428,253	79.8%	19.6%	0.7%
50 to 250	97,531,897	93.4%	3.9%	2.8%
More than 250	356,963,739	94.1%	2.9%	3.0%
Total	\$506,923,889	92.5%	4.8%	2.7%

Seafood processors B&O tax exemption

Manufacturers and wholesalers of seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing process are exempt from the manufacturing and wholesaling B&O tax of 0.484%. This exemption expires July 1, 2025. At that time, income from the manufacturing and wholesaling of these items becomes taxable under the preferential B&O tax rate of 0.138% (RCW 82.04.4269).

The data in this section is as of November 12, 2021.

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	22	\$695,656
50 or more	13	2,183,659
Total	35	\$2,879,315

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	385	49.1%	50.9%
50 or more	4,373	62.2%	37.8%
Total	4,758	61.2%	38.8%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$10,848,470	86.8%	13.2%
50 or more	181,449,558	89.9%	10.1%
Total	\$192,298,028	89.8%	10.2%

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	295	73.9%	12.2%	13.9%
50 or more	3,526	86.8%	4.1%	9.2%
Total	3,821	85.8%	4.7%	9.5%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$10,127,707	94.9%	4.1%	1.0%
50 or more	175,573,456	96.0%	1.3%	2.7%
Total	\$185,701,163	96.0%	1.4%	2.6%

Chapter 3 – Employer credit programs

There are three employer credit programs requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

Customized employment training B&O tax credit

A B&O tax credit is allowed for half of the costs of customized workforce training paid by employers to the State Board for Community Colleges. Businesses must use the credit by June 30, 2026 (RCW 82.04.449).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 60	5	\$29,298
60 or more	8	56,775
Total	13	\$86,073

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 60	276	72.8%	27.2%
60 or more	2,093	65.3%	34.7%
Total	2,369	66.2%	33.8%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 60	\$15,734,283	88.1%	11.9%
60 or more	126,642,941	63.2%	36.8%
Total	\$142,377,224	65.9%	34.1%

Customized employment training B&O tax credit

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 60	200	98.0%	2.0%	0.0%
60 or more	1,825	96.8%	0.2%	3.1%
Total	2,025	96.9%	0.3%	2.8%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 60	\$13,061,549	99.0%	1.0%	0.0%
60 or more	119,388,928	99.1%	0.1%	0.8%
Total	\$132,450,477	99.1%	0.2%	0.7%

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	168	8.3%
Business, financial, and legal operations	57	2.8%
Computer, math, architect, and engineer	253	12.5%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	4	0.2%
Healthcare practitioners and support	0	0.0%
Protective services and maintenance	5	0.2%
Sales and service	101	5.0%
Office and administrative support	116	5.7%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	21	1.0%
Production and non-construction trades	1,243	61.4%
Transportation and material moving	55	2.7%
Other	2	0.1%
Total	2,025	100.0%

Customized employment training B&O tax credit

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	93.0%	7.0%	0.0%
Computer, math, architect, and engineer	99.2%	0.8%	0.0%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%
Protective services and maintenance	100.0%	0.0%	0.0%
Sales and service	100.0%	0.0%	0.0%
Office and administrative support	99.1%	0.9%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Production and non-construction trades	95.7%	4.3%	0.0%
Transportation and material moving	100.0%	0.0%	0.0%
Other	100.0%	0.0%	0.0%
Total	97.0%	3.0%	0.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01-\$20.00	\$20.01-\$25.00	\$25.01-\$30.00	\$30.01-\$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	0.6%	26.8%	72.6%
Business, financial, and legal operations	0.0%	3.5%	5.3%	12.3%	52.6%	26.3%
Computer, math, architect, and engineer	0.4%	0.4%	4.3%	5.9%	49.4%	39.5%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective services and maintenance	0.0%	0.0%	20.0%	40.0%	40.0%	0.0%
Sales and service	0.0%	1.0%	6.9%	17.8%	55.4%	18.8%
Office and administrative support	0.0%	6.9%	12.9%	26.7%	42.2%	11.2%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	14.3%	23.8%	33.3%	28.6%	0.0%
Production and non-construction trades	2.4%	20.2%	36.4%	18.6%	21.6%	0.7%
Transportation and material moving	0.0%	21.8%	38.2%	21.8%	18.2%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Total	1.5%	13.7%	25.5%	16.0%	29.5%	13.7%

Veteran employer B&O tax credit

Businesses that employ a previously unemployed veteran in a permanent full-time position in Washington for at least two consecutive calendar quarters on or after October 1, 2016, and before June 30, 2022, receive a B&O tax credit. The credit equals 20% of the wages and benefits the business paid to the qualified employee. The credit cannot exceed \$1,500 per qualified employee. Businesses may use the credit against B&O or public utility taxes, but not both. Statewide, the total credit may not exceed \$500,000 per fiscal year. Businesses receive credits on a first-in-time basis and can earn credits through June 30, 2022. Businesses must use the credit by June 30, 2023 (RCW 82.04.4498).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 10	9	\$8,633
10 or more	11	29,380
Total	20	\$38,013

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 10	52	57.7%	42.3%
10 or more	2,235	30.0%	70.0%
Total	2,287	30.7%	69.3%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 10	\$2,322,399	83.7%	16.3%
10 or more	69,040,715	71.8%	28.2%
Total	\$71,363,114	72.2%	27.8%

Veteran employer B&O tax credit

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 10	45	84.4%	13.3%	2.2%
10 or more	2,204	39.9%	1.5%	58.6%
Total	2,249	40.8%	1.7%	57.5%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 10	\$2,273,919	95.7%	4.0%	0.3%
10 or more	68,850,679	89.5%	1.1%	9.4%
Total	\$71,124,598	89.7%	1.2%	9.1%

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	72	3.2%
Business, financial, and legal operations	5	0.2%
Computer, math, architect, and engineer	51	2.3%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	15	0.7%
Healthcare practitioners and support	1	0.0%
Protective services and maintenance	47	2.1%
Sales and service	167	7.4%
Office and administrative support	56	2.5%
Construction and extraction	96	4.3%
Installation, maintenance, and repair	16	0.7%
Production and non-construction trades	1,684	74.9%
Transportation and material moving	39	1.7%
Other	0	0.0%
Total	2,249	100.0%

Veteran employer B&O tax credit

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	100.0%	0.0%	0.0%
Computer, math, architect, and engineer	82.4%	17.6%	0.0%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	86.7%	13.3%	0.0%
Healthcare practitioners and support	100.0%	0.0%	0.0%
Protective services and maintenance	85.1%	14.9%	0.0%
Sales and service	21.6%	78.4%	0.0%
Office and administrative support	75.0%	25.0%	0.0%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Production and non-construction trades	100.0%	0.0%	0.0%
Transportation and material moving	100.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Total	92.8%	7.2%	0.0%

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01-\$20.00	\$20.01-\$25.00	\$25.01-\$30.00	\$30.01-\$50.00	\$50.01 & over
Management	2.8%	4.2%	0.0%	9.7%	47.2%	36.1%
Business, financial, and legal operations	0.0%	60.0%	0.0%	20.0%	20.0%	0.0%
Computer, math, architect, and engineer	0.0%	39.2%	23.5%	13.7%	17.6%	5.9%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	60.0%	40.0%	0.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Protective services and maintenance	29.8%	68.1%	2.1%	0.0%	0.0%	0.0%
Sales and service	80.8%	7.8%	2.4%	0.6%	6.6%	1.8%
Office and administrative support	8.9%	17.9%	23.2%	12.5%	37.5%	0.0%
Construction and extraction	0.0%	0.0%	2.1%	5.2%	80.2%	12.5%
Installation, maintenance, and repair	0.0%	18.8%	81.3%	0.0%	0.0%	0.0%
Production and non-construction trades	40.5%	25.8%	18.1%	12.1%	3.5%	0.0%
Transportation and material moving	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	37.3%	25.2%	15.8%	10.3%	9.4%	2.0%

Chapter 4 – General manufacturing industry

There are three general manufacturing industry incentives requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

High unemployment county sales and use tax deferral

Manufacturers investing in qualifying counties are eligible for a deferral of retail sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment for projects located in a county with high unemployment or in a Community Empowerment Zone (CEZ). The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2020 (RCW 82.60).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	30	\$15,448,068
50 to 250	27	8,484,803
More than 250	12	9,031,710
Total	69	\$32,964,581

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	1,575	44.4%	55.6%
50 to 250	3,968	65.5%	34.5%
More than 250	10,188	75.7%	24.3%
Total	15,731	70.0%	30.0%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$54,234,453	83.4%	16.6%
50 to 250	178,495,010	87.5%	12.5%
More than 250	554,631,197	90.8%	9.2%
Total	\$787,360,660	89.5%	10.5%

High unemployment county sales and use tax deferral

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	778	90.0%	9.6%	0.4%
50 to 250	3,119	94.9%	4.6%	0.5%
More than 250	9,413	94.3%	5.5%	0.2%
Total	13,310	94.2%	5.5%	0.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$43,287,783	97.2%	2.6%	0.1%
50 to 250	165,885,506	98.9%	1.0%	0.1%
More than 250	542,342,774	97.7%	2.2%	0.0%
Total	\$751,516,063	98.0%	2.0%	0.0%

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	1,037	7.8%
Business, financial, and legal operations	361	2.7%
Computer, math, architect, and engineer	897	6.7%
Life, physical, and social science	136	1.0%
Community and social services	23	0.2%
Education, training, and library	17	0.1%
Healthcare practitioners and support	1	0.0%
Protective services and maintenance	128	1.0%
Sales and service	526	4.0%
Office and administrative support	833	6.3%
Construction and extraction	213	1.6%
Installation, maintenance, and repair	667	5.0%
Production and non-construction trades	7,815	58.7%
Transportation and material moving	511	3.8%
Other	145	1.1%
Total	13,310	100.0%

High unemployment county sales and use tax deferral

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	99.1%	0.9%	0.0%
Business, financial, and legal operations	97.5%	2.5%	0.0%
Computer, math, architect, and engineer	97.7%	2.1%	0.2%
Life, physical, and social science	91.2%	1.5%	7.4%
Community and social services	100.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners and support	100.0%	0.0%	0.0%
Protective services and maintenance	80.5%	19.5%	0.0%
Sales and service	75.7%	24.3%	0.0%
Office and administrative support	96.0%	4.0%	0.0%
Construction and extraction	98.6%	1.4%	0.0%
Installation, maintenance, and repair	98.7%	1.3%	0.0%
Production and non-construction trades	94.7%	5.0%	0.2%
Transportation and material moving	86.1%	13.9%	0.0%
Other	85.5%	14.5%	0.0%
Total	94.4%	5.4%	0.2%

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01-\$20.00	\$20.01-\$25.00	\$25.01-\$30.00	\$30.01-\$50.00	\$50.01 & over
Management	0.1%	1.2%	1.4%	5.5%	39.5%	52.4%
Business, financial, and legal operations	4.2%	6.1%	17.5%	21.6%	31.0%	19.7%
Computer, math, architect, and engineer	0.0%	2.3%	8.0%	12.7%	56.6%	20.3%
Life, physical, and social science	0.0%	12.5%	49.3%	22.1%	15.4%	0.7%
Community and social services	0.0%	13.0%	8.7%	21.7%	43.5%	13.0%
Education, training, and library	0.0%	5.9%	5.9%	47.1%	35.3%	5.9%
Healthcare practitioners and support	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Protective services and maintenance	14.1%	39.1%	18.0%	7.8%	20.3%	0.8%
Sales and service	20.9%	22.8%	11.8%	11.4%	22.1%	11.0%
Office and administrative support	2.2%	21.4%	28.6%	17.8%	26.2%	4.0%
Construction and extraction	13.1%	27.7%	22.1%	13.6%	16.0%	7.5%
Installation, maintenance, and repair	1.5%	8.2%	23.1%	38.7%	27.3%	1.2%
Production and non-construction trades	7.8%	47.3%	22.6%	12.5%	9.2%	0.5%
Transportation and material moving	13.9%	37.2%	21.1%	16.0%	11.2%	0.6%
Other	29.7%	31.0%	9.7%	10.3%	15.9%	3.4%
Total	6.9%	33.6%	19.8%	14.1%	18.4%	7.2%

Manufacturers sales and use tax deferral

The “Invest in Washington” pilot program creates a sales and use tax deferral for two investment projects per calendar year. The deferral applies to sales and use taxes on up to \$10 million in charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. One project must be in eastern Washington and one project must be in western Washington. Projects approved for a high unemployment county sales and use tax deferral (RCW 82.60) cannot receive this deferral, and projects cannot receive multiple pilot program deferrals. This program expires January 1, 2026 (RCW 82.85).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 600	4	\$1,638,834
Total	4	\$1,638,834

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	390	54.4%	45.6%
Total	390	54.4%	45.6%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	\$17,076,547	84.3%	15.7%
Total	\$17,076,547	84.3%	15.7%

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	327	98.5%	1.5%	0.0%
Total	327	98.5%	1.5%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$18,431,876	99.4%	0.6%	0.0%
Total	\$18,431,876	99.4%	0.6%	0.0%

Manufacturers sales and use tax deferral

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	25	7.6%
Business, financial, and legal operations	5	1.5%
Computer, math, architect, and engineer	8	2.4%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	0	0.0%
Healthcare practitioners and support	0	0.0%
Protective services and maintenance	4	1.2%
Sales and service	26	8.0%
Office and administrative support	20	6.1%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	15	4.6%
Production and non-construction trades	207	63.3%
Transportation and material moving	17	5.2%
Other	0	0.0%
Total	327	100.0%

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	100.0%	0.0%	0.0%
Computer, math, architect, and engineer	87.5%	12.5%	0.0%
Life, physical, and social science	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%
Protective services and maintenance	100.0%	0.0%	0.0%
Sales and service	96.2%	3.8%	0.0%
Office and administrative support	100.0%	0.0%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Production and non-construction trades	99.0%	1.0%	0.0%
Transportation and material moving	94.1%	5.9%	0.0%
Other	0.0%	0.0%	0.0%
Total	98.5%	1.5%	0.0%

Manufacturers sales and use tax deferral

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	0.0%	56.0%	44.0%
Business, financial, and legal operations	0.0%	0.0%	20.0%	0.0%	40.0%	40.0%
Computer, math, architect, and engineer	0.0%	0.0%	12.5%	0.0%	62.5%	25.0%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective services and maintenance	0.0%	25.0%	25.0%	0.0%	25.0%	25.0%
Sales and service	0.0%	0.0%	15.4%	3.8%	69.2%	11.5%
Office and administrative support	0.0%	10.0%	70.0%	20.0%	0.0%	0.0%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	6.7%	20.0%	46.7%	20.0%	6.7%
Production and non-construction trades	0.0%	27.1%	62.8%	8.7%	1.4%	0.0%
Transportation and material moving	0.0%	29.4%	52.9%	0.0%	11.8%	5.9%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.0%	19.9%	49.8%	9.2%	14.7%	6.4%

Rural county sales and use tax deferral

Manufacturers investing in qualifying counties are eligible for a deferral of retail sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. Manufacturers must locate the projects in a county with a population density averaging fewer than 100 residents per square mile or in a county containing a CEZ. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2010 (RCW 82.60).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	4	\$10,938,403
Total	4	\$10,938,403

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	291	80.8%	19.2%
Total	291	80.8%	19.2%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$15,845,252	93.7%	6.3%
Total	\$15,845,252	93.7%	6.3%

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	278	99.3%	0.7%	0.0%
Total	278	99.3%	0.7%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$15,604,199	99.8%	0.2%	0.0%
Total	\$15,604,199	99.8%	0.2%	0.0%

Chapter 5 - High technology industry

Four high technology industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

Biotechnology sales and use tax deferral

Biotechnology product and medical device manufacturers are eligible for a deferral of sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to January 1, 2017 (RCW 82.75).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 60	3	\$1,298,376
60 or more	4	1,520,062
Total	7	\$2,818,438

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 60	121	65.3%	34.7%
60 or more	772	65.0%	35.0%
Total	893	65.1%	34.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 60	\$9,579,019	86.1%	13.9%
60 or more	66,285,979	81.8%	18.2%
Total	\$75,864,998	82.4%	17.6%

Biotechnology sales and use tax deferral

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 60	88	100.0%	0.0%	0.0%
60 or more	734	96.2%	3.5%	0.3%
Total	822	96.6%	3.2%	0.2%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 60	\$8,246,443	100.0%	0.0%	0.0%
60 or more	65,055,250	99.4%	0.6%	0.0%
Total	\$73,301,693	99.4%	0.5%	0.0%

Data center sales and use tax exemption

A sales and use tax exemption on qualified purchases of eligible server equipment and eligible power infrastructure exists for data centers located in a rural county. The exemption includes charges for labor and services associated with installation of the equipment and power infrastructure. This exemption is limited to eight data centers that began construction on or after July 1, 2015, but before July 1, 2019, and an additional four data centers that began construction on or after July 1, 2019, but before July 1, 2025. This exemption expires based on when the participant applied for the program (RCW 82.82.08.986, 82.12.986).

Note: The employee count represents the total employees in Washington for the participant and not the employees located at the data center.

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	14	\$8,304,394
More than 250	3	61,256,500
Total	17	\$69,560,894

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	475	76.4%	23.6%
More than 250	142,671	85.9%	14.1%
Total	143,146	85.8%	14.2%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$51,381,594	86.1%	13.9%
More than 250	18,758,578,547	93.6%	6.4%
Total	\$18,809,960,141	93.6%	6.4%

Data center sales and use tax exemption

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	434	99.3%	0.7%	0.0%
More than 250	139,086	94.5%	3.6%	1.9%
Total	139,520	94.5%	3.6%	1.9%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$49,145,048	99.9%	0.1%	0.0%
More than 250	18,681,284,814	99.0%	0.8%	0.1%
Total	\$18,730,429,862	99.0%	0.8%	0.1%

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	9,040	6.5%
Business, financial, and legal operations	14,371	10.3%
Computer, math, architect, and engineer	66,789	47.9%
Life, physical, and social science	154	0.1%
Community and social services	7	0.0%
Education, training, and library	98	0.1%
Healthcare practitioners and support	38	0.0%
Protective services and maintenance	1,249	0.9%
Sales and service	15,876	11.4%
Office and administrative support	2,580	1.8%
Construction and extraction	86	0.1%
Installation, maintenance, and repair	4,098	2.9%
Production and non-construction trades	22,301	16.0%
Transportation and material moving	1,411	1.0%
Other	1,422	1.0%
Total	139,520	100.0%

Data center sales and use tax exemption

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	99.7%	0.3%	0.0%
Business, financial, and legal operations	98.1%	1.3%	0.6%
Computer, math, architect, and engineer	99.8%	0.2%	0.0%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	100.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners and support	100.0%	0.0%	0.0%
Protective services and maintenance	100.0%	0.0%	0.0%
Sales and service	58.2%	26.4%	15.4%
Office and administrative support	95.9%	4.0%	0.2%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	90.7%	7.2%	2.0%
Production and non-construction trades	100.0%	0.0%	0.0%
Transportation and material moving	96.2%	3.4%	0.4%
Other	99.8%	0.2%	0.0%
Total	94.5%	3.6%	1.9%

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01-\$20.00	\$20.01-\$25.00	\$25.01-\$30.00	\$30.01-\$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	13.2%	13.5%	73.3%
Business, financial, and legal operations	0.0%	3.1%	1.6%	9.0%	28.8%	57.5%
Computer, math, architect, and engineer	0.0%	0.0%	0.1%	0.5%	6.7%	92.7%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	55.8%	44.2%
Community and social services	0.0%	0.0%	0.0%	0.0%	71.4%	28.6%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	36.7%	63.3%
Healthcare practitioners and support	0.0%	0.0%	0.0%	18.4%	52.6%	28.9%
Protective services and maintenance	0.0%	23.5%	15.3%	4.0%	43.3%	13.9%
Sales and service	11.8%	24.5%	15.9%	17.0%	3.0%	27.8%
Office and administrative support	0.0%	3.0%	0.9%	15.2%	34.1%	46.8%
Construction and extraction	0.0%	10.5%	2.3%	3.5%	81.4%	2.3%
Installation, maintenance, and repair	1.5%	7.6%	3.8%	8.0%	79.3%	0.0%
Production and non-construction trades	0.0%	0.3%	20.3%	2.9%	73.7%	2.9%
Transportation and material moving	0.0%	2.8%	4.0%	16.0%	62.6%	14.6%
Other	0.0%	0.0%	0.2%	1.7%	35.7%	62.4%
Total	1.4%	3.7%	5.6%	5.1%	23.7%	60.5%

High technology sales and use tax deferral

Businesses engaged in certain high technology research and development activities, or pilot scale manufacturing, are eligible for a deferral of sales and use taxes on charges for construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to January 1, 2015 (RCW 82.63).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	11	\$2,786,308
50 to 250	21	28,393,556
More than 250	28	360,002,894
Total	60	\$391,182,757

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	421	43.0%	57.0%
50 to 250	2,512	73.0%	27.0%
More than 250	236,795	74.1%	25.9%
Total	239,728	74.1%	25.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$45,151,908	51.3%	48.7%
50 to 250	296,045,058	87.0%	13.0%
More than 250	37,621,434,448	86.2%	13.8%
Total	\$37,962,631,414	86.2%	13.8%

High technology sales and use tax deferral

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	231	90.0%	10.0%	0.0%
50 to 250	2,158	93.6%	4.4%	2.0%
More than 250	229,717	91.2%	6.9%	1.9%
Total	232,106	91.2%	6.9%	1.9%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$26,569,556	92.3%	7.7%	0.0%
50 to 250	275,260,383	97.4%	2.0%	0.6%
More than 250	36,657,481,226	97.8%	2.0%	0.2%
Total	\$36,959,311,165	97.8%	2.0%	0.2%

Incentive amounts by high technology category

High technology category	Number of participants reporting in each category*	Incentive claimed
Advanced computing	22	\$249,468,102
Advanced materials	7	11,235,787
Biotechnology	27	105,553,645
Electronic devices	19	22,936,665
Environmental	4	1,988,558
Total	79	\$391,182,757

*Total does not agree with the first table because some participants may report under multiple technology categories.

Public research institution equipment sales and use tax exemption

The sale of machinery and equipment used primarily in a research and development operation at public research institutions is exempt from sales and use tax (RCW 82.08.025651, 82.12.025651).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
250 or more	3	\$5,605,349
Total	3	\$5,605,349

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
250 or more	47,391	67.4	32.6
Total	47,391	67.4	32.6

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
250 or more	\$3,130,463,942	79.2	20.8
Total	\$3,130,463,942	79.2	20.8

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
250 or more	47,391	71.3	21.7	7.0
Total	47,391	71.3	21.7	7.0

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
250 or more	\$3,130,463,942	81.5	16.6	1.9
Total	\$3,130,463,942	81.5	16.6	1.9

Incentive amounts by high technology category

High technology category	Number of participants	Incentive claimed
Advanced computing	CTI	CTI
Advanced materials	CTI	CTI
Biotechnology	CTI	CTI
Electronic devices	CTI	CTI
Environmental	CTI	CTI
Total	3	\$5,605,349

Chapter 6 - Renewable energy industry

Three renewable energy industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

Renewable energy light and power business public utility tax (PUT) credit

A light and power business may take a credit against PUT for amounts paid to customers as investment cost recovery incentives for renewable energy systems. The credit for a fiscal year may not exceed 1.5% of the business's Calendar Year 2014 taxable sales or \$250,000, whichever is greater. The right to earn tax credits expires June 30, 2029. Credits may not be claimed after June 30, 2030 (RCW 82.16.130).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	19	\$3,812,854
50 to 250	22	12,036,263
More than 250	7	33,142,846
Total	48	\$48,991,962

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	489	86.9%	13.1%
50 to 250	3,169	81.7%	18.3%
More than 250	9,657	88.9%	11.1%
Total	13,315	87.1%	12.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$43,940,470	95.9%	4.1%
50 to 250	265,195,517	95.4%	4.6%
More than 250	1,087,067,600	93.7%	6.3%
Total	\$1,396,203,587	94.1%	5.9%

Renewable energy light and power business public utility tax (PUT) credit

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	465	92.7%	6.2%	1.1%
50 to 250	2,959	90.8%	4.2%	5.0%
More than 250	9,336	95.2%	1.4%	3.4%
Total	12,760	94.1%	2.2%	3.7%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$43,203,225	98.6%	1.1%	0.3%
50 to 250	258,463,906	95.1%	0.8%	4.0%
More than 250	1,068,004,780	98.0%	0.6%	1.3%
Total	\$1,369,671,911	97.5%	0.7%	1.8%

Solar energy systems manufacturers or wholesalers reduced B&O tax rates

The B&O tax rate on the manufacturing of solar energy systems or the production of silicon components for these systems is 0.275% until July 1, 2027. If no preferential rate existed, the rate would be 0.484% (RCW 82.04.294).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 600	6	\$101,617
Total	6	\$101,617

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	404	58.2%	41.8%
Total	404	58.2%	41.8%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 600	\$17,891,143	91.1%	8.9%
Total	\$17,891,143	91.1%	8.9%

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	404	99.0%	1.0%	0.0%
Total	404	99.0%	1.0%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$17,891,143	99.8%	0.2%	0.0%
Total	\$17,891,143	99.8%	0.2%	0.0%

Solar energy systems manufacturers or wholesalers reduced B&O tax rates

Distribution of employees by occupation class

Occupational class	Number of employees	Percentage of employees
Management	35	8.7%
Business, financial, and legal operations	5	1.2%
Computer, math, architect, and engineer	21	5.2%
Life, physical, and social science	8	2.0%
Community and social services	0	0.0%
Education, training, and library	0	0.0%
Healthcare practitioners and support	0	0.0%
Protective services and maintenance	3	0.7%
Sales and service	7	1.7%
Office and administrative support	12	3.0%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	27	6.7%
Production and non-construction trades	271	67.1%
Transportation and material moving	15	3.7%
Other	0	0.0%
Total	404	100.0%

Percent of employees by employment status and occupation class

Occupational class	Full-time	Part-time	Temporary
Management	100.0%	0.0%	0.0%
Business, financial, and legal operations	100.0%	0.0%	0.0%
Computer, math, architect, and engineer	100.0%	0.0%	0.0%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%
Protective services and maintenance	100.0%	0.0%	0.0%
Sales and service	100.0%	0.0%	0.0%
Office and administrative support	91.7%	8.3%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Production and non-construction trades	98.9%	1.1%	0.0%
Transportation and material moving	100.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Total	99.0%	1.0%	0.0%

Solar energy systems manufacturers or wholesalers reduced B&O tax rates

Percent distribution of employees by occupation class and hourly wage range

Occupational class	Up to \$15.00	\$15.01- \$20.00	\$20.01- \$25.00	\$25.01- \$30.00	\$30.01- \$50.00	\$50.01 & over
Management	0.0%	0.0%	0.0%	0.0%	31.4%	68.6%
Business, financial, and legal operations	0.0%	0.0%	0.0%	40.0%	40.0%	20.0%
Computer, math, architect, and engineer	4.8%	33.3%	19.0%	23.8%	4.8%	14.3%
Life, physical, and social science	0.0%	0.0%	0.0%	12.5%	62.5%	25.0%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Healthcare practitioners and support	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective services and maintenance	0.0%	0.0%	0.0%	66.7%	33.3%	0.0%
Sales and service	0.0%	28.6%	0.0%	0.0%	71.4%	0.0%
Office and administrative support	0.0%	41.7%	25.0%	25.0%	8.3%	0.0%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	7.4%	18.5%	11.1%	22.2%	37.0%	3.7%
Production and non-construction trades	43.2%	39.1%	5.9%	6.6%	4.4%	0.7%
Transportation and material moving	0.0%	80.0%	6.7%	13.3%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	29.7%	33.9%	6.7%	9.7%	11.9%	8.2%

Chapter 7 - Timber Industry

Two timber industry incentives require a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive.

Hog fuel sales and use tax exemption (by facility)

Hog fuel used to produce electricity, steam, heat, or biofuel is exempt from retail sales and use taxes. Hog fuel is wood waste and other wood residuals, including forest derived biomass, but excludes firewood and wood pellets. Participants submit the annual tax performance report for this incentive by facility. This exemption expires June 30, 2024 (RCW 82.08.956; 82.12.956).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	6	\$757,751
More than 250	9	1,742,923
Total	15	\$2,500,674

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	802	63.1%	36.9%
More than 250	4,809	81.2%	18.8%
Total	5,611	78.6%	21.4%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$50,322,791	77.7%	22.3%
More than 250	386,378,288	91.5%	8.5%
Total	\$436,701,079	90.0%	10.0%

Hog fuel sales and use tax exemption (by facility)

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	654	96.0%	4.0%	0.0%
More than 250	4,295	99.8%	0.0%	0.2%
Total	4,949	99.3%	0.5%	0.2%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$45,742,568	97.9%	2.1%	0.0%
More than 250	340,480,359	99.9%	0.0%	0.1%
Total	\$386,222,927	99.7%	0.3%	0.1%

Timber and wood products reduced B&O tax rates

Persons extracting or manufacturing timber and selling timber and wood products at wholesale receive a preferential B&O tax rate of 0.2904% (0.3424% after including the 0.052% surcharge to finance riparian habitat). This preferential tax rate expires July 1, 2045. At that time, income from these activities becomes taxable under the B&O tax rate of 0.484% (RCW 82.04.260(12)).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	556	\$3,545,585
50 to 250	45	2,307,450
More than 250	18	7,237,479
Total	619	\$13,090,515

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	4,309	52.8%	47.2%
50 to 250	5,613	62.5%	37.5%
More than 250	10,676	81.1%	18.9%
Total	20,598	70.1%	29.9%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$179,496,548	81.2%	18.8%
50 to 250	344,484,784	85.9%	14.1%
More than 250	890,109,534	91.3%	8.7%
Total	\$1,414,090,866	88.7%	11.3%

Timber and wood products reduced B&O tax rates

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	3,264	79.1%	17.2%	3.7%
50 to 250	4,572	95.4%	3.5%	1.2%
More than 250	9,663	99.0%	0.5%	0.5%
Total	17,499	94.3%	4.4%	1.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$153,529,312	93.7%	5.7%	0.6%
50 to 250	331,628,628	98.6%	1.0%	0.5%
More than 250	833,936,569	99.5%	0.4%	0.2%
Total	\$1,319,094,509	98.6%	1.1%	0.3%

Chapter 8 – Other programs

There are 11 other programs requiring a participant to submit an annual tax performance report. This chapter shows the cumulative results for each incentive with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

Newspaper reduced B&O tax rate

Businesses in the newspaper industry receive a preferential B&O tax rate for printing and/or publishing newspapers. This B&O tax rate is 0.35% until July 1, 2024, at which time the rate increases to 0.484%.

The definition of “newspaper” for B&O tax purposes includes electronic versions of a printed newspaper. The preferential rate applies to advertising and subscription revenues generated from the online version of a printed newspaper (RCW 82.04.260(14a)).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	68	\$176,781
50 to 250	6	67,615
More than 250	3	194,981
Total	77	\$439,376

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	805	55.9%	44.1%
50 to 250	713	59.0%	41.0%
More than 250	1,387	54.9%	45.1%
Total	2,905	56.2%	43.8%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$27,689,855	71.3%	28.7%
50 to 250	20,161,402	79.4%	20.6%
More than 250	61,015,531	87.0%	13.0%
Total	\$108,866,788	81.6%	18.4%

Newspaper reduced B&O tax rate

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	550	65.8%	34.2%	0.0%
50 to 250	643	77.9%	21.2%	0.9%
More than 250	1,288	82.3%	16.2%	1.5%
Total	2,481	77.5%	21.5%	1.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$18,817,720	88.1%	11.9%	0.0%
50 to 250	19,213,128	92.6%	7.3%	0.1%
More than 250	60,020,482	90.4%	9.2%	0.4%
Total	\$98,051,330	90.4%	9.4%	0.3%

Tribal owned property used for economic development

Federally recognized Indian tribes in Washington receive a property tax exemption for property owned by the tribe and used for economic development purposes. To qualify for the exemption, tribes had to acquire the land prior to March 1, 2014. Effective June 11, 2020, House Bill 2230 (2020) made the exemption permanent, removed the March 1, 2014, requirement, and removed the requirement for those claiming the exemption to submit an annual tax performance report. The incentive amounts reported in the first table reflect tax savings from January 1, 2020, through June 11, 2020. Beginning with Calendar Year 2021 activity, those utilizing the tribal property tax exemption are not required to file the annual tax performance report (RCW 84.36.010(2)).

This property tax exemption is reported on a separate annual tax performance report that gathered data for the economic impact report compiled by the Joint Legislative Audit and Review Committee in 2020. The questions from the tribal report are different from the standard annual tax performance report per RCW 43.136.090. The tables below summarize the same employment data asked on the standard annual tax performance report.

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 5,000	3	\$228,159
Total	3	\$228,159

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 5,000	8,082	92.5%	4.7%	2.8%
Total	8,082	92.5%	4.7%	2.8%

Washington Filmworks contributors B&O tax credit

Businesses contributing to the Washington motion picture competitiveness program receive a B&O tax credit equal to the lesser of the contribution made or \$750,000 for each contributor. The total statewide credit cannot exceed \$3.5 million a year. Businesses cannot earn credits after June 30, 2027, and must claim the credit on returns by December 31, 2030 (RCW 82.04.4489).

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	5	\$88,029
More than 250	5	3,230,400
Total	10	\$3,318,429

Annual employment data for Calendar Year 2020

Percent of employees based on quarters worked

Employment size	WA Employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	127	34.6%	65.4%
More than 250	7,762	72.5%	27.5%
Total	7,889	71.9%	28.1%

Percent of wages based on quarters worked

Employment size	Total wages	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 250	\$5,855,328	76.0%	24.0%
More than 250	591,465,584	90.5%	9.5%
Total	\$597,320,912	90.3%	9.7%

Annual employment data for employees employed on December 31, 2020

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	64	85.9%	14.1%	0.0%
More than 250	6,942	91.5%	8.1%	0.4%
Total	7,006	91.4%	8.2%	0.4%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$5,414,849	94.2%	5.8%	0.0%
More than 250	573,575,591	97.4%	2.5%	0.1%
Total	\$578,990,440	97.4%	2.5%	0.1%