



STATE OF WASHINGTON
DEPARTMENT OF REVENUE
OFFICE OF THE DIRECTOR

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December 19, 2022

TO: Sarah Banister, Secretary
Washington State Senate

Bernard Dean, Chief Clerk
Washington State House of Representatives

FROM: Steve Ewing, Legislative and External Affairs Liaison

SUBJECT: Descriptive Statistics Report for 2019

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 incentives programs by December 31. This statute requires the department to summarize report information into descriptive statistics by category. No fewer than three taxpayers may be included in any category.

The department submitted the 2019 Descriptive Statistics Report to you on December 31, 2019. The attached is an updated report that includes six summary tables omitted in the original publication. The tables summarize employment data by standard occupation classes. The additional tables were added to the following incentives:

- Aerospace computer, software, and peripherals sales and use tax exemption.
- Aerospace property and leasehold business and occupation tax credit.

The tables have no impact on the incentive savings amounts or employment totals. We have updated the report on our agency website and are providing this to you for updating on the legislative website.

For 2018, taxpayers (participants) submitted a report for 47 incentives. This publication summarizes data from 2,194 reports, which covers 32 incentives with three or more participants. The business and occupation tax, public utility tax, and sales tax incentives included in this report reduced state and local tax revenues by \$870 million in 2018. The participants reported over 900,000 in total 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:

<http://www.dor.wa.gov/Content/AboutUs/StatisticsAndReports/Default.aspx>.

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

Attachments

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

Descriptive Statistics for Tax Incentive Programs

2019 Report to the Legislature

Covering Calendar Year 2018 Activity

Vikki Smith, Director

Washington State Department of Revenue

December 2019



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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 receives a portion of the incentive.

Beginning January 1, 2018, the annual tax performance report replaced the previously required annual survey and report. The new 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. 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 presents additional questions relating to employment and incentive activity.

This is the first time participants filed the new annual tax performance report. It appears that some participants may not have understood the questions. During the review process, the Department contacted select participants to verify answers and educate them about the new report. This publication represents information provided by participants and corrections made during the Department's review. The tables in this publication are different from the prior publications due to changes made to the report during the 2017 Legislative Session. This report reflects 47 tax incentive programs for activities occurring in Calendar Year 2018. The summarized data with corrections is as of November 6, 2019.

Incentive Highlights

Most participants in 2018

Number of participants

Timber industry reduced business and occupation (B&O) tax rate	670
Aerospace manufacturing reduced B&O tax rate	368
Fruit and vegetable processors B&O tax exemption	298
Aerospace Product Development Reduced B&O Tax Rate	129

Largest 2018 revenue impact for report incentives

Tax saved (millions)

High technology sales and use tax deferral	\$376
Aerospace manufacturing reduced B&O tax rate	\$115
Aerospace preproduction expenditures B&O tax credit	\$71
Data Center Sales & Use Tax Exemption	\$61

Employment – total in-state jobs as of December 31, 2018

Number of jobs

High technology sales and use tax deferral	220,359
Data center sales and use tax exemption	156,224
Aerospace manufacturing incentives	99,721
Aerospace preproduction expenditures B&O tax credit	78,733

Incentives with no annual tax performance report filed for 2018

- 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, and
- Gas distribution business sales and use tax exemption.

Incentives – confidential taxpayer information

Fewer than three taxpayers utilized 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,
- Semiconductor manufacturers reduced B&O rate,
- Semiconductor sales and use tax exemption,
- Solar energy systems manufacturers or processors sales and use tax exemption, and
- Tribally owned property used for economic development.

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

Understanding the 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 the 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 tax,
- Deductions or exempt B&O tax,
- Deferred or exempt sales and use tax, or
- Preferred B&O tax rates, which is the difference 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 each year will result in overstated deferred amounts.

Data tables

As noted earlier, programs with less than three participants are confidential in the publication. 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, 2018

Eleven 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 percent or may be slightly more than 100 percent due to rounding. The high technology sales and use tax deferral and public institution sales and use tax exemption declare tax incentive savings in each high technology category.

Overview of tax incentives for Calendar Year 2018

Tax incentives by major industry	Participants	Total jobs ¹	Tax savings
Aerospace			
Computer, software, & periph. sales and use tax exemption	18	71,820	\$7,013,387
FAR part 145 station reduced B&O tax rate	39	5,348	\$749,137
Manufacturers' reduced B&O tax rates	368	99,721	\$115,423,654
Manufacturing site sales and use tax exemption ²	CTI	CTI	CTI
Preproduction expenditures B&O tax credit	69	78,733	\$70,745,714
Product development reduced B&O tax rate	129	5,382	\$2,708,246
Property and leasehold taxes B&O tax credit	24	77,052	\$49,956,676
Agricultural products			
Ag crop protection prod. Hazardous sub. tax exemption	4	744	\$157,812
Agricultural sales and use tax deferral	41	13,928	\$27,036,111
Dairy products manufacturers' B&O tax exemption	33	2,215	\$4,917,873
Fruit and vegetable processors' B&O tax exemption	298	19,548	\$18,879,803
Seafood processors' B&O tax exemption	40	4,015	\$3,344,836
Employer credits			
Customized employment training B&O tax credit	17	3,331	\$149,265
Veteran employer B&O tax credit	31	1,545	\$87,042
Veteran employer PUT credit	3	565	\$8,248
General manufacturing			
High unemployment sales and use tax deferrals	60	12,760	\$31,393,501
Manufacturers sales and use tax deferral	3	371	\$1,589,300
Rural county sales and use tax deferral	35	5,583	\$20,162,218
High technology and computing			
Biotechnology sales and use tax deferral	9	2,347	\$9,674,052
Data center sales and use tax exemption	20	156,224	\$61,091,421
High technology sales and use tax deferral	80	220,359	\$376,043,223
Public research institution equip. sales & use tax exemption	3	47,815	\$5,959,433
Renewable energy			
Renewable energy equipment sales and use tax exemption	21	326	\$53,279
Renewable energy light and power business PUT credit	45	12,418	\$39,313,597
Solar energy sys. mfg. or wholesale reduced B&O tax rate	7	298	\$159,601
Solar energy systems sales and use tax exemption ²	CTI	CTI	CTI
Timber			
Hog fuel sales and use tax exemption	17	4,872	\$2,806,778
Timber and wood products reduced B&O tax rate	670	18,987	\$14,429,698

¹Total jobs as of December 31, 2018.

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

Overview of tax incentives for Calendar Year 2018 (continued)

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
Government funded mental health services deduction	6	2,499	\$2,105,845
Newspaper reduced B&O tax rate	85	21,249	\$568,994
Semiconductor manufacturers reduced B&O rate ²	CTI	CTI	CTI
Semiconductor sales and use tax exemption ²	CTI	CTI	CTI
Tribal property tax exemption ²	CTI	CTI	CTI
Washington Filmworks contributors B&O credit	19	16,941	\$3,480,000

¹Total jobs as of December 31, 2018.

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	10	\$92,939
50 or more	8	6,920,448
Total	18	\$7,013,387

Annual employment data for calendar year 2018

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	145	62.1%	37.9%
50 or more	71,803	99.4%	0.6%
Total	71,948	99.3%	0.7%

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	\$11,092,018	87.6%	12.4%
50 or more	8,903,832,660	99.9%	0.1%
Total	\$8,914,924,678	99.9%	0.1%

Aerospace computer, software, and peripherals sales and use tax exemption (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	121	95.9%	2.5%	1.7%
50 or more	71,699	99.7%	0.2%	0.1%
Total	71,820	99.7%	0.2%	0.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$10,477,202	99.3%	0.7%	0.0%
50 or more	8,899,043,259	99.9%	0.1%	0.0%
Total	\$8,909,520,461	99.9%	0.1%	0.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	6,539	9.1%
Business, financial, and legal operations	5,692	7.9%
Computer, math, archt., and engineer	17,049	23.7%
Life, physical, and social science	185	0.3%
Community and social services	0	0.0%
Education, training, and library	156	0.2%
Healthcare practitioners, tech., and sup.	77	0.1%
Protective svc., building, and maint.	1,056	1.5%
Sales and service	317	0.4%
Office and administrative support	2,884	4.0%
Construction and extraction	116	0.2%
Installation, maintenance, and repair	3,221	4.5%
Prod., non-construct. trades, and craft	27,869	38.8%
Transportation and material moving	1,272	1.8%
Other	5,387	7.5%
Total	71,820	100.0%

Aerospace computer, software, and peripherals sales and use tax exemption (continued)

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	99.7%	0.3%	0.0%
Computer, math, archt., and engineer	99.5%	0.5%	0.0%
Life, physical, and social science	99.5%	0.5%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup	97.4%	2.6%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	99.7%	0.3%	0.0%
Office and administrative support	99.2%	0.7%	0.1%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	99.8%	0.2%	0.0%
Transportation and material moving	99.9%	0.1%	0.0%
Other	99.8%	0.2%	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%	0.3%	0.5%	0.2%	11.2%	87.7%
Business, financial, and legal operations	0.0%	0.0%	0.2%	3.7%	50.8%	45.3%
Computer, math, archt., and engineer	0.0%	0.1%	0.3%	0.2%	27.0%	72.4%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	58.4%	41.6%
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%	1.3%	37.8%	60.9%
Healthcare practitioners, tech., and sup	0.0%	0.0%	1.3%	16.9%	59.7%	22.1%
Protective svc., building, and maint.	19.2%	11.0%	2.7%	4.0%	53.2%	9.8%
Sales and service	0.0%	0.0%	1.9%	2.5%	16.4%	79.2%
Office and administrative support	0.4%	1.3%	10.3%	18.2%	48.4%	21.4%
Construction and extraction	7.8%	12.1%	3.4%	2.6%	74.1%	0.0%
Installation, maintenance, and repair	0.0%	0.8%	2.0%	2.3%	94.6%	0.3%
Prod., non-construct. trades, and craft	6.2%	13.8%	9.7%	2.7%	66.9%	0.6%
Transportation and material moving	0.2%	2.5%	3.5%	5.5%	75.9%	12.3%
Other	0.0%	0.0%	0.2%	2.3%	49.3%	48.3%
Total	2.7%	5.7%	4.5%	2.6%	49.9%	34.5%

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 percent. Without the preferential rate, these businesses would be subject to the 0.484 percent retailing of interstate transportation equipment rate. 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	24	\$180,013
50 to 250	9	233,538
More than 250	6	335,586
Total	39	\$749,137

Annual employment data for calendar year 2018

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	439	71.1%	28.9%
50 to 250	1,275	63.8%	36.2%
More than 250	3,692	82.3%	17.7%
Total	5,406	77.0%	23.0%

Percent of wages based on quarters worked

Employment size	WA employees	Employees who worked all four quarters	Employees who worked less than four quarters
Less than 50	\$22,563,115	88.9%	11.1%
50 to 250	64,684,816	88.1%	11.9%
More than 250	283,682,262	91.3%	8.7%
Total	\$370,930,193	90.6%	9.4%

Aerospace FAR part 145 repair stations reduced B&O tax rate (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	411	90.5%	6.8%	2.7%
50 to 250	1,159	98.8%	0.3%	0.9%
More than 250	3,778	95.8%	0.3%	3.8%
Total	5,348	96.1%	0.8%	3.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$20,678,969	95.3%	2.9%	1.8%
50 to 250	72,544,175	98.8%	0.2%	1.0%
More than 250	289,168,375	97.2%	0.3%	2.5%
Total	\$382,391,519	97.4%	0.4%	2.2%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	469	8.8%
Business, financial, and legal operations	273	5.1%
Computer, math, archt., and engineer	929	17.4%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	5	0.1%
Healthcare practitioners, tech., and sup.	0	0.0%
Protective svc., building, and maint.	30	0.6%
Sales and service	119	2.2%
Office and administrative support	423	7.9%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	1,215	22.7%
Prod., non-construct. trades, and craft	1,702	31.8%
Transportation and material moving	180	3.4%
Other	3	0.1%
Total	5,348	100.0%

Aerospace FAR part 145 repair stations reduced B&O tax rate (continued)

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	96.7%	3.3%	0.0%
Computer, math, archt., and engineer	97.8%	1.1%	1.1%
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	80.0%	20.0%	0.0%
Healthcare practitioners, tech., and sup	0.0%	0.0%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	99.2%	0.0%	0.0%
Office and administrative support	98.1%	1.9%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	98.4%	1.6%	0.0%
Prod., non-construct. trades, and craft	92.1%	7.9%	0.0%
Transportation and material moving	89.4%	10.6%	0.0%
Other	100.0%	0.0%	0.0%
Total	96.0%	3.8%	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	0.0%	0.0%	0.6%	2.8%	44.1%	52.5%
Business, financial, and legal operations	0.0%	2.2%	8.8%	21.2%	56.4%	11.4%
Computer, math, archt., and engineer	0.0%	2.2%	3.9%	7.9%	42.3%	43.8%
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%	20.0%	20.0%	40.0%	20.0%	0.0%
Healthcare practitioners, tech., and sup	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	23.3%	6.7%	26.7%	40.0%	3.3%
Sales and service	0.0%	4.2%	3.4%	10.2%	33.9%	48.3%
Office and administrative support	5.4%	18.2%	24.3%	21.3%	26.2%	4.5%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	1.2%	20.2%	17.4%	23.7%	31.7%	5.8%
Prod., non-construct. trades, and craft	14.4%	37.8%	22.4%	14.9%	9.9%	0.6%
Transportation and material moving	12.8%	39.4%	13.3%	18.9%	14.4%	1.1%
Other	0.0%	0.0%	33.3%	0.0%	33.3%	33.3%
Total	5.7%	20.1%	14.8%	15.5%	28.0%	15.8%

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 percent. The general tax rate for manufacturing is 0.484 percent. This preferential rate expires July 1, 2040. (RCW 82.04.260)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	253	\$3,711,050
50 to 250	83	4,168,713
More than 250	32	107,543,891
Total	368	\$115,423,654

Annual employment data for calendar year 2018

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	2,832	60.8%	39.2%
50 to 250	12,307	65.3%	34.7%
More than 250	88,411	94.7%	5.3%
Total	103,550	90.3%	9.7%

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	\$146,328,489	84.4%	15.6%
50 to 250	612,583,536	86.2%	13.8%
More than 250	10,029,963,729	98.6%	1.4%
Total	\$10,788,875,754	97.7%	2.3%

Aerospace manufacturers' reduced B&O tax rates (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	2,373	92.2%	4.8%	2.9%
50 to 250	10,218	97.7%	1.3%	1.0%
More than 250	86,680	99.2%	0.4%	0.4%
Total	99,271	98.9%	0.6%	0.6%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$136,452,898	97.5%	1.6%	0.8%
50 to 250	571,600,808	98.9%	0.4%	0.7%
More than 250	9,839,772,476	99.7%	0.1%	0.2%
Total	\$10,547,826,182	99.6%	0.2%	0.2%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	8,402	8.5%
Business, financial, and legal operations	6,480	6.5%
Computer, math, archt., and engineer	20,355	20.5%
Life, physical, and social science	257	0.3%
Community and social services	0	0.0%
Education, training, and library	183	0.2%
Healthcare practitioners, tech., and sup.	154	0.2%
Protective svc., building, and maint.	1,182	1.2%
Sales and service	1,092	1.1%
Office and administrative support	4,916	5.0%
Construction and extraction	136	0.1%
Installation, maintenance, and repair	4,039	4.1%
Product., non-constr. trades, and craft	44,716	45.0%
Transportation and material moving	1,787	1.8%
Other	5,572	5.6%
Total	99,271	100.0%

Aerospace manufacturers' reduced B&O tax rates (continued)

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	99.5%	0.5%	0.0%
Computer, math, archt., and engineer	99.2%	0.7%	0.0%
Life, physical, and social science	98.8%	0.8%	0.4%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	97.8%	2.2%	0.0%
Healthcare practitioners, tech., and sup.	98.7%	1.3%	0.0%
Protective svc., building, and maint.	99.4%	0.6%	0.0%
Sales and service	99.3%	0.5%	0.2%
Office and administrative support	98.3%	1.5%	0.2%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	99.9%	0.1%	0.0%
Product., non-constr. trades, and craft	98.5%	1.5%	0.1%
Transportation and material moving	99.4%	0.6%	0.0%
Other	99.3%	0.7%	0.0%
Total	99.0%	1.0%	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%	0.4%	0.7%	0.9%	18.2%	79.8%
Business, financial, and legal operations	0.2%	0.6%	1.6%	5.7%	50.5%	41.4%
Computer, math, archt., and engineer	0.1%	0.4%	0.8%	1.9%	31.4%	65.3%
Life, physical, and social science	0.0%	1.2%	6.2%	12.8%	46.7%	33.1%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	6.0%	3.8%	1.1%	3.8%	33.3%	51.9%
Healthcare practitioners, tech., and sup.	1.9%	16.9%	5.8%	16.9%	44.8%	13.6%
Protective svc., building, and maint.	18.3%	11.8%	4.2%	5.2%	51.4%	9.1%
Sales and service	0.8%	3.2%	8.4%	11.4%	34.7%	41.4%
Office and administrative support	2.1%	8.1%	16.4%	19.6%	39.6%	14.2%
Construction and extraction	6.6%	10.3%	2.9%	4.4%	75.7%	0.0%
Installation, maintenance, and repair	2.0%	2.9%	5.1%	10.8%	78.6%	0.5%
Product., non-constr. trades, and craft	9.3%	21.1%	14.7%	8.4%	45.9%	0.7%
Transportation and material moving	4.3%	15.4%	9.7%	6.2%	55.5%	8.9%
Other	1.0%	1.1%	0.9%	2.5%	47.8%	46.7%
Total	4.8%	10.8%	8.4%	6.5%	42.1%	27.4%

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 percent of qualified expenditures. Qualified expenditures include research, design, and engineering costs incurred in the development of aerospace products, but do not include 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	41	\$522,059
50 to 250	17	571,021
More than 250	11	69,652,634
Total	69	\$70,745,714

Annual employment data for calendar year 2018

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	384	56.0%	44.0%
50 to 250	2,542	66.4%	33.6%
More than 250	76,366	97.8%	2.2%
Total	79,292	96.6%	3.4%

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	\$35,749,586	76.7%	23.3%
50 to 250	136,084,793	85.1%	14.9%
More than 250	9,210,270,377	99.5%	0.5%
Total	\$9,382,104,756	99.2%	0.8%

Aerospace preproduction expenditures B&O tax credit (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	342	92.1%	6.1%	1.8%
50 to 250	2,305	96.6%	2.5%	0.9%
More than 250	76,086	99.6%	0.2%	0.2%
Total	78,733	99.5%	0.3%	0.2%

Percent of wages by employment status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	\$31,372,751	97.0%	2.3%	0.7%
50 to 250	143,483,720	98.4%	0.8%	0.8%
More than 250	9,217,022,882	99.8%	0.1%	0.1%
Total	\$9,391,879,353	99.8%	0.1%	0.1%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	7,214	9.2%
Business, financial, and legal operations	5,971	7.6%
Computer, math, archt., and engineer	18,468	23.5%
Life, physical, and social science	187	0.2%
Community and social services	0	0.0%
Education, training, and library	152	0.2%
Healthcare practitioners, tech., and sup.	77	0.1%
Protective svc., building, and maint.	1,090	1.4%
Sales and service	520	0.7%
Office and administrative support	3,328	4.2%
Construction and extraction	116	0.1%
Installation, maintenance, and repair	3,838	4.9%
Prod., non-construct. trades, and craft	30,765	39.1%
Transportation and material moving	1,458	1.9%
Other	5,549	7.0%
Total	78,733	100.0%

Aerospace preproduction expenditures B&O tax credit (continued)

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	99.7%	0.3%	0.0%
Computer, math, archt., and engineer	99.1%	0.8%	0.1%
Life, physical, and social science	99.5%	0.5%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	97.4%	2.6%	0.0%
Protective svc., building, and maint.	99.7%	0.3%	0.0%
Sales and service	99.0%	0.6%	0.4%
Office and administrative support	98.8%	1.0%	0.2%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	99.6%	0.4%	0.0%
Transportation and material moving	99.8%	0.2%	0.0%
Other	99.4%	0.6%	0.0%
Total	99.5%	0.5%	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%	0.3%	0.5%	0.3%	13.2%	85.7%
Business, financial, and legal operations	0.0%	0.1%	0.6%	4.2%	51.0%	44.1%
Computer, math, archt., and engineer	0.0%	0.2%	0.4%	0.8%	28.2%	70.3%
Life, physical, and social science	0.0%	0.0%	0.5%	0.5%	57.8%	41.2%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.7%	0.0%	36.8%	62.5%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	1.3%	16.9%	59.7%	22.1%
Protective svc., building, and maint.	18.7%	11.5%	3.2%	4.5%	52.4%	9.7%
Sales and service	0.0%	1.5%	6.0%	4.2%	26.3%	61.9%
Office and administrative support	0.6%	3.4%	12.1%	18.3%	46.2%	19.4%
Construction and extraction	7.8%	12.1%	3.4%	2.6%	74.1%	0.0%
Installation, maintenance, and repair	0.1%	4.0%	4.6%	6.4%	84.6%	0.3%
Prod., non-construct. trades, and craft	7.1%	15.8%	11.2%	3.7%	61.6%	0.7%
Transportation and material moving	2.6%	9.2%	5.8%	5.4%	66.3%	10.8%
Other	0.8%	1.1%	0.8%	2.5%	47.9%	46.9%
Total	3.2%	7.0%	5.6%	3.5%	47.7%	33.1%

Aerospace product development reduced B&O tax rate

Businesses developing aerospace products for others pay a preferential B&O tax rate of 0.9 percent, as compared to the general services rate of 1.5 percent. 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	110	\$478,879
50 to 250	12	734,095
More than 250	7	1,495,272
Total	129	\$2,708,246

Annual employment data for calendar year 2018

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	577	54.2%	45.8%
50 to 250	1,607	58.6%	41.4%
More than 250	3,489	66.0%	34.0%
Total	5,673	62.7%	37.3%

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	\$44,879,124	76.0%	24.0%
50 to 250	110,047,277	83.4%	16.6%
More than 250	234,137,637	85.8%	14.2%
Total	\$389,064,038	84.0%	16.0%

Aerospace product development reduced B&O tax rate (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	501	91.0%	7.2%	1.8%
50 to 250	1,306	94.0%	6.0%	0.1%
More than 250	3,575	81.9%	0.7%	17.5%
Total	5,382	85.7%	2.6%	11.8%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$38,264,294	96.8%	2.5%	0.6%
50 to 250	106,795,482	97.5%	2.4%	0.0%
More than 250	238,170,715	93.9%	0.5%	5.6%
Total	\$383,230,491	95.2%	1.3%	3.5%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	461	8.6%
Business, financial, and legal operations	195	3.6%
Computer, math, archt., and engineer	2,032	37.8%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	0	0.0%
Healthcare practitioners, tech., and sup.	0	0.0%
Protective svc., building, and maint.	27	0.5%
Sales and service	544	10.1%
Office and administrative support	371	6.9%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	670	12.4%
Prod., non-constr. trades, and craft	960	17.8%
Transportation and material moving	122	2.3%
Other	0	0.0%
Total	5,382	100.0%

Aerospace product development reduced B&O tax rate (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	99.3%	0.4%	0.2%
Business, financial, and legal operations	99.5%	0.5%	0.0%
Computer, math, archt., and engineer	95.9%	3.8%	0.3%
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, tech., and sup.	0.0%	0.0%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	100.0%	0.0%	0.0%
Office and administrative support	91.4%	8.4%	0.3%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-constr. trades, and craft	87.6%	12.4%	0.0%
Transportation and material moving	99.2%	0.8%	0.0%
Other	0.0%	0.0%	0.0%
Total	95.5%	4.3%	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%	0.2%	0.9%	0.9%	25.4%	72.7%
Business, financial, and legal operations	0.0%	1.0%	4.6%	16.4%	42.1%	35.9%
Computer, math, archt., and engineer	0.1%	1.3%	1.7%	2.2%	34.1%	60.5%
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%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	25.9%	7.4%	22.2%	40.7%	3.7%
Sales and service	21.9%	20.6%	8.6%	5.0%	25.7%	18.2%
Office and administrative support	8.6%	15.4%	20.5%	19.1%	30.2%	6.2%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.6%	18.2%	16.6%	23.3%	39.4%	1.9%
Prod., non-constr. trades, and craft	5.0%	43.2%	17.3%	16.3%	15.5%	2.7%
Transportation and material moving	10.7%	53.3%	17.2%	7.4%	9.8%	1.6%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	4.1%	15.0%	8.8%	9.4%	29.4%	33.4%

Aerospace property and leasehold 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, 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	3	\$44,361
50 to 250	12	734,701
More than 250	9	49,177,614
Total	24	\$49,956,676

Annual employment data for calendar year 2018

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	89	58.4%	41.6%
50 to 250	1,865	69.1%	30.9%
More than 250	75,991	98.4%	1.6%
Total	77,945	97.7%	2.3%

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 50	\$3,457,386	85.5%	14.5%
50 to 250	93,681,400	87.2%	12.8%
More than 250	9,122,534,242	99.7%	0.3%
Total	\$9,219,673,028	99.5%	0.5%

Aerospace property and leasehold taxes B&O tax credit (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	59	89.8%	10.2%	0.0%
50 to 250	1,536	98.3%	0.8%	0.8%
More than 250	75,457	99.8%	0.2%	0.0%
Total	77,052	99.7%	0.2%	0.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$2,855,795	94.6%	5.4%	0.0%
50 to 250	87,580,287	98.7%	0.2%	1.1%
More than 250	9,110,998,629	99.9%	0.1%	0.0%
Total	\$9,201,434,711	99.9%	0.1%	0.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	6,902	9.0%
Business, financial, and legal operations	5,767	7.5%
Computer, math, archt., and engineer	17,084	22.2%
Life, physical, and social science	251	0.3%
Community and social services	0	0.0%
Education, training, and library	154	0.2%
Healthcare practitioners, tech., and sup.	101	0.1%
Protective svc., building, and maint.	1,062	1.4%
Sales and service	373	0.5%
Office and administrative support	3,371	4.4%
Construction and extraction	116	0.2%
Installation, maintenance, and repair	3,477	4.5%
Prod., non-constr. trades, and craft	31,676	41.1%
Transportation and material moving	1,327	1.7%
Other	5,391	7.0%
Total	77,052	100.0%

Aerospace property and leasehold taxes B&O tax credit (continued)

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	99.6%	0.3%	0.0%
Computer, math, archt., and engineer	99.4%	0.5%	0.1%
Life, physical, and social science	99.6%	0.4%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup.	98.0%	2.0%	0.0%
Protective svc., building, and maint.	99.9%	0.1%	0.0%
Sales and service	99.7%	0.3%	0.0%
Office and administrative support	99.2%	0.8%	0.0%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-constr. trades, and craft	99.9%	0.1%	0.0%
Transportation and material moving	99.9%	0.1%	0.0%
Other	99.8%	0.2%	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%	0.3%	0.6%	0.5%	13.7%	84.8%
Business, financial, and legal operations	0.0%	0.1%	0.6%	4.0%	50.7%	44.6%
Computer, math, archt., and engineer	0.0%	0.0%	0.1%	0.6%	27.4%	71.9%
Life, physical, and social science	0.0%	1.2%	5.2%	12.4%	47.4%	33.9%
Community and social services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education, training, and library	0.0%	0.0%	0.0%	1.9%	36.4%	61.7%
Healthcare practitioners, tech., and sup.	0.0%	0.0%	2.0%	22.8%	58.4%	16.8%
Protective svc., building, and maint.	19.2%	11.1%	2.8%	4.0%	53.0%	9.8%
Sales and service	0.0%	0.5%	1.9%	2.1%	20.6%	74.8%
Office and administrative support	0.5%	2.6%	11.5%	20.7%	45.9%	18.8%
Construction and extraction	7.8%	12.1%	3.4%	2.6%	74.1%	0.0%
Installation, maintenance, and repair	0.1%	1.6%	3.0%	8.1%	87.3%	0.0%
Prod., non-constr. trades, and craft	6.5%	15.9%	11.5%	5.5%	60.0%	0.6%
Transportation and material moving	0.9%	5.6%	3.6%	5.4%	72.7%	11.8%
Other	0.0%	0.0%	0.2%	2.3%	49.2%	48.3%
Total	3.0%	7.0%	5.6%	4.4%	47.7%	32.3%

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	4	\$157,812
Total	4	\$157,812

Annual employment data for calendar year 2018

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	758	68.6%	31.4%
Total	758	68.6%	31.4%

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 600	\$46,110,526	84.2%	15.8%
Total	\$46,110,526	84.2%	15.8%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	744	79.4%	9.0%	11.6%
Total	744	79.4%	9.0%	11.6%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$46,026,395	91.8%	5.3%	2.9%
Total	\$46,026,395	91.8%	5.3%	2.9%

Agricultural sales and use tax deferral

Participants who process fresh fruit and vegetables, operate cold storage warehouses for storing such product, engage in 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	26	\$15,703,537
More than 250	15	\$11,332,574
Total	41	\$27,036,111

Annual employment data for calendar year 2018

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	3,394	47.3%	52.7%
More than 250	30,618	42.3%	57.7%
Total	34,012	42.8%	57.2%

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	\$82,434,996	86.0%	14.0%
More than 250	694,749,457	76.5%	23.5%
Total	\$777,184,453	77.5%	22.5%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	1,935	90.2%	5.7%	4.0%
More than 250	11,993	96.3%	3.1%	0.6%
Total	13,928	95.5%	3.5%	1.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$75,608,097	95.9%	1.9%	2.2%
More than 250	473,547,323	98.6%	1.3%	0.1%
Total	\$549,155,420	98.2%	1.4%	0.4%

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 percent. 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 percent. (RCW 82.04.4268)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	24	\$126,753
50 or more	9	4,791,120
Total	33	\$4,917,873

Annual employment data for calendar year 2018

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	307	47.6%	52.4%
50 or more	2,202	61.1%	38.9%
Total	2,509	59.4%	40.6%

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 50	\$5,437,019	82.4%	17.6%
50 or more	120,073,830	83.1%	16.9%
Total	\$125,510,849	83.1%	16.9%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	237	46.4%	38.4%	15.2%
50 or more	1,978	93.8%	5.5%	0.7%
Total	2,215	88.8%	9.0%	2.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$4,489,914	86.7%	9.8%	3.5%
50 or more	118,457,609	97.7%	2.2%	0.1%
Total	\$122,947,523	97.3%	2.4%	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 percent. 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 percent. (RCW 82.04.4266)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	247	\$1,817,220
50 to 250	32	3,365,801
More than 250	19	13,696,782
Total	298	\$18,879,803

Annual employment data for calendar year 2018

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	4,046	33.4%	66.6%
50 to 250	6,808	30.1%	69.9%
More than 250	21,571	46.8%	53.2%
Total	32,425	41.6%	58.4%

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	\$69,990,887	76.6%	23.4%
50 to 250	129,938,806	75.8%	24.2%
More than 250	651,811,445	83.2%	16.8%
Total	\$851,741,138	81.6%	18.4%

Fruit and vegetable processors' B&O tax exemption (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	2,237	40.1%	53.9%	6.0%
50 to 250	3,631	71.8%	10.6%	17.7%
More than 250	13,680	87.9%	3.7%	8.4%
Total	19,548	79.4%	10.7%	9.9%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$54,556,131	80.9%	18.1%	1.1%
50 to 250	110,432,458	91.9%	3.7%	4.5%
More than 250	562,135,889	97.4%	1.1%	1.5%
Total	\$727,124,478	95.3%	2.7%	1.9%

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 percent. 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 percent. (RCW 82.04.4269)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	27	\$681,152
50 or more	13	2,663,684
Total	40	\$3,344,836

Annual employment data for calendar year 2018

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	783	28.2%	71.8%
50 or more	4,869	55.9%	44.1%
Total	5,652	52.0%	48.0%

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	\$11,784,589	79.1%	20.9%
50 or more	188,428,612	87.0%	13.0%
Total	\$200,213,201	86.5%	13.5%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	344	64.5%	25.0%	10.5%
50 or more	3,671	80.2%	4.2%	15.6%
Total	4,015	78.8%	6.0%	15.2%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$9,192,231	86.3%	10.3%	3.4%
50 or more	163,668,558	91.3%	1.7%	7.0%
Total	\$172,860,789	91.0%	2.2%	6.8%

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, 2021. (RCW 82.04.449)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	12	\$52,961
More than 250	5	96,304
Total	17	\$149,265

Annual employment data for calendar year 2018

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	1,381	70.9%	29.1%
More than 250	2,410	75.3%	24.7%
Total	3,791	73.7%	26.3%

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 250	\$59,800,607	87.2%	12.8%
More than 250	156,472,204	84.0%	16.0%
Total	\$216,272,811	84.9%	15.1%

Customized employment training B&O tax credit (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	1,358	99.3%	0.4%	0.3%
More than 250	1,973	98.5%	0.4%	1.1%
Total	3,331	98.8%	0.4%	0.8%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$63,276,912	99.8%	0.2%	0.1%
More than 250	148,976,871	98.6%	0.1%	1.3%
Total	\$212,253,783	98.9%	0.1%	0.9%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	359	10.8%
Business, financial, and legal operations	283	8.5%
Computer, math, archt., and engineer	289	8.7%
Life, physical, and social science	103	3.1%
Community and social services	0	0.0%
Education, training, and library	1	0.0%
Healthcare practitioners, tech., and sup	30	0.9%
Protective svc., building, and maint.	5	0.2%
Sales and service	95	2.9%
Office and administrative support	227	6.8%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	60	1.8%
Prod., non-construct. trades, and craft	1,763	52.9%
Transportation and material moving	48	1.4%
Other	68	2.0%
Total	3,331	100.0%

Customized employment training B&O tax credit (continued)

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, archt., and engineer	97.2%	2.8%	0.0%
Life, physical, and social science	98.1%	1.9%	0.0%
Community and social services	0.0%	0.0%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup	100.0%	0.0%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	100.0%	0.0%	0.0%
Office and administrative support	97.8%	2.2%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	98.7%	1.3%	0.0%
Transportation and material moving	97.9%	2.1%	0.0%
Other	100.0%	0.0%	0.0%
Total	98.8%	1.2%	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	0.8%	0.3%	0.3%	5.0%	30.1%	63.5%
Business, financial, and legal operations	2.1%	33.9%	22.3%	10.6%	25.8%	5.3%
Computer, math, archt., and engineer	0.0%	0.3%	4.5%	24.9%	64.0%	6.2%
Life, physical, and social science	0.0%	0.0%	0.0%	6.8%	81.6%	11.7%
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%	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup	3.3%	16.7%	20.0%	23.3%	36.7%	0.0%
Protective svc., building, and maint.	0.0%	0.0%	40.0%	60.0%	0.0%	0.0%
Sales and service	8.4%	6.3%	15.8%	31.6%	34.7%	3.2%
Office and administrative support	1.8%	20.7%	42.7%	23.8%	10.6%	0.4%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	15.0%	10.0%	46.7%	28.3%	0.0%
Prod., non-construct. trades, and craft	13.8%	27.6%	23.4%	17.5%	17.5%	0.2%
Transportation and material moving	4.2%	14.6%	25.0%	35.4%	20.8%	0.0%
Other	0.0%	0.0%	29.4%	22.1%	48.5%	0.0%
Total	8.0%	19.8%	19.4%	17.7%	26.6%	8.4%

Veteran employer B&O tax credit

Businesses that employ an 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 percent 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	14	\$17,619
10 or more	17	\$69,423
Total	31	\$87,042

Annual employment data for calendar year 2018

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	68	54.4%	45.6%
10 or more	1,573	71.8%	28.2%
Total	1,641	71.1%	28.9%

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 10	\$2,605,197	80.3%	19.7%
10 or more	91,845,347	88.9%	11.1%
Total	\$94,450,544	88.6%	11.4%

Veteran employer B&O tax credit (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 10	59	81.4%	18.6%	0.0%
10 or more	1,486	85.9%	13.5%	0.5%
Total	1,545	85.8%	13.7%	0.5%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 10	\$2,433,336	98.6%	1.4%	0.0%
10 or more	90,003,892	98.0%	2.0%	0.0%
Total	\$92,437,228	98.0%	2.0%	0.0%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	93	6.0%
Business, financial, and legal operations	16	1.0%
Computer, math, archt., and engineer	3	0.2%
Life, physical, and social science	2	0.1%
Community and social services	11	0.7%
Education, training, and library	0	0.0%
Healthcare practitioners, tech., and sup	38	2.5%
Protective svc., building, and maint.	99	6.4%
Sales and service	395	25.6%
Office and administrative support	377	24.4%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	22	1.4%
Prod., non-construct. trades, and craft	441	28.5%
Transportation and material moving	4	0.3%
Other	44	2.8%
Total	1,545	100.0%

Veteran employer B&O tax credit (continued)

Percent of employees by employment status and occupation class

Occupational Class	Full-time	Part-time	Temporary
Management	98.9%	1.1%	0.0%
Business, financial, and legal operations	100.0%	0.0%	0.0%
Computer, math, archt., and engineer	100.0%	0.0%	0.0%
Life, physical, and social science	50.0%	50.0%	0.0%
Community and social services	9.1%	72.7%	18.2%
Education, training, and library	0.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup	68.4%	23.7%	7.9%
Protective svc., building, and maint.	58.6%	41.4%	0.0%
Sales and service	80.8%	19.2%	0.0%
Office and administrative support	91.2%	8.8%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	98.9%	1.1%	0.0%
Transportation and material moving	100.0%	0.0%	0.0%
Other	56.8%	43.2%	0.0%
Total	87.2%	12.5%	0.3%

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	40.9%	5.4%	7.5%	1.1%	29.0%	16.1%
Business, financial, and legal operations	6.3%	0.0%	0.0%	43.8%	25.0%	25.0%
Computer, math, archt., and engineer	0.0%	0.0%	0.0%	33.3%	33.3%	33.3%
Life, physical, and social science	0.0%	0.0%	50.0%	0.0%	50.0%	0.0%
Community and social services	100.0%	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, tech., and sup	10.5%	34.2%	15.8%	7.9%	10.5%	21.1%
Protective svc., building, and maint.	71.7%	28.3%	0.0%	0.0%	0.0%	0.0%
Sales and service	84.3%	7.1%	3.8%	2.8%	1.3%	0.8%
Office and administrative support	13.5%	25.7%	20.4%	16.4%	19.4%	4.5%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	9.1%	22.7%	27.3%	13.6%	18.2%	9.1%
Prod., non-construct. trades, and craft	3.6%	36.5%	45.6%	14.1%	0.2%	0.0%
Transportation and material moving	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Other	56.8%	15.9%	6.8%	0.0%	18.2%	2.3%
Total	35.7%	22.3%	20.7%	9.7%	8.3%	3.3%

Veteran employer public utility tax (PUT) credit

Businesses that employ an 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 percent 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 82.16.0499)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 600	3	\$8,248
Total	3	\$8,248

Annual employment data for calendar year 2018

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	565	62.7%	37.3%
Total	565	62.7%	37.3%

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	\$26,831,572	69.8%	30.2%
Total	\$26,831,572	69.8%	30.2%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	565	98.9%	1.1%	0.0%
Total	565	98.9%	1.1%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$26,831,572	100.0%	0.0%	0.0%
Total	\$26,831,572	100.0%	0.0%	0.0%

Veteran employer public utility tax (PUT) credit (continued)

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	28	5.0%
Business, financial, and legal operations	0	0.0%
Computer, math, archt., and engineer	0	0.0%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	0	0.0%
Healthcare practitioners, tech., and sup	0	0.0%
Protective svc., building, and maint.	0	0.0%
Sales and service	0	0.0%
Office and administrative support	10	1.8%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	0	0.0%
Prod., non-construct. trades, and craft	422	74.7%
Transportation and material moving	105	18.6%
Other	0	0.0%
Total	565	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	0.0%	0.0%	0.0%
Computer, math, archt., and engineer	0.0%	0.0%	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, tech., and sup	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	0.0%	0.0%
Sales and service	0.0%	0.0%	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	0.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	100.0%	0.0%	0.0%
Transportation and material moving	94.3%	5.7%	0.0%
Other	0.0%	0.0%	0.0%
Total	98.9%	1.1%	0.0%

Veteran employer public utility tax (PUT) credit (continued)

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%	71.4%	28.6%
Business, financial, and legal operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Computer, math, archt., and engineer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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, tech., and sup	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sales and service	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Office and administrative support	0.0%	80.0%	0.0%	0.0%	10.0%	10.0%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	0.0%	37.9%	47.4%	14.7%	0.0%	0.0%
Transportation and material moving	2.9%	0.0%	92.4%	3.8%	1.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.5%	29.7%	52.6%	11.7%	3.9%	1.6%

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 with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

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. The deferral program expires July 1, 2020. (RCW 82.60)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	23	\$3,800,666
50 to 250	27	5,401,566
More than 250	10	22,191,269
Total	60	\$31,393,501

Annual employment data for calendar year 2018

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	861	63.2%	36.8%
50 to 250	4,186	61.9%	38.1%
More than 250	9,121	74.5%	25.5%
Total	14,168	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	\$36,048,197	88.4%	11.6%
50 to 250	203,325,610	84.4%	15.6%
More than 250	568,722,692	88.7%	11.3%
Total	\$808,096,499	87.6%	12.4%

High unemployment county sales and use tax deferral (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	625	86.7%	12.6%	0.6%
50 to 250	3,211	97.6%	2.1%	0.4%
More than 250	8,924	95.4%	4.6%	0.0%
Total	12,760	95.5%	4.3%	0.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$34,037,768	95.4%	4.5%	0.1%
50 to 250	193,262,169	99.3%	0.5%	0.2%
More than 250	554,355,252	98.8%	1.2%	0.0%
Total	\$781,655,189	98.8%	1.1%	0.1%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	1,626	12.7%
Business, financial, and legal operations	647	5.1%
Computer, math, archt., and engineer	777	6.1%
Life, physical, and social science	16	0.1%
Community and social services	135	1.1%
Education, training, and library	2	0.0%
Healthcare practitioners, tech., and sup	1	0.0%
Protective svc., building, and maint.	88	0.7%
Sales and service	1,425	11.2%
Office and administrative support	790	6.2%
Construction and extraction	121	0.9%
Installation, maintenance, and repair	220	1.7%
Prod., non-construct. trades, and craft	6,267	49.1%
Transportation and material moving	497	3.9%
Other	148	1.2%
Total	12,760	100.0%

High unemployment county sales and use tax deferral (continued)

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	97.7%	2.3%	0.0%
Computer, math, archt., and engineer	97.9%	2.1%	0.0%
Life, physical, and social science	100.0%	0.0%	0.0%
Community and social services	95.6%	1.5%	3.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup	100.0%	0.0%	0.0%
Protective svc., building, and maint.	64.8%	35.2%	0.0%
Sales and service	88.8%	11.1%	0.1%
Office and administrative support	94.8%	4.9%	0.3%
Construction and extraction	100.0%	0.0%	0.0%
Installation, maintenance, and repair	97.7%	2.3%	0.0%
Prod., non-construct. trades, and craft	97.5%	2.5%	0.0%
Transportation and material moving	82.1%	17.9%	0.0%
Other	89.9%	10.1%	0.0%
Total	95.8%	4.2%	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%	0.8%	2.9%	21.1%	43.5%	31.5%
Business, financial, and legal operations	1.7%	4.6%	15.6%	22.9%	42.3%	12.8%
Computer, math, archt., and engineer	0.3%	5.4%	13.6%	8.9%	39.4%	32.4%
Life, physical, and social science	0.0%	0.0%	50.0%	0.0%	43.8%	6.3%
Community and social services	0.7%	13.3%	45.9%	23.0%	16.3%	0.7%
Education, training, and library	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	43.2%	28.4%	14.8%	5.7%	6.8%	1.1%
Sales and service	20.4%	7.6%	21.1%	13.1%	30.7%	7.0%
Office and administrative support	8.2%	36.8%	26.2%	9.7%	14.2%	4.8%
Construction and extraction	2.5%	12.4%	29.8%	17.4%	31.4%	6.6%
Installation, maintenance, and repair	5.5%	18.6%	25.0%	18.2%	30.9%	1.8%
Prod., non-construct. trades, and craft	17.7%	52.6%	18.3%	6.1%	4.9%	0.4%
Transportation and material moving	33.6%	32.2%	17.5%	10.7%	5.4%	0.6%
Other	25.7%	25.0%	26.4%	8.1%	8.8%	6.1%
Total	13.6%	32.0%	17.3%	10.7%	18.2%	8.1%

Manufacturers Sales & 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	3	\$1,589,300
Total	3	\$1,589,300

Annual employment data for calendar year 2018

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	391	48.3%	51.7%
Total	391	48.3%	51.7%

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	\$15,583,860	78.0%	22.0%
Total	\$15,583,860	78.0%	22.0%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	371	94.3%	1.9%	3.8%
Total	371	94.3%	1.9%	3.8%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$15,296,560	98.2%	0.5%	1.3%
Total	\$15,296,560	98.2%	0.5%	1.3%

Manufacturers Sales & Use Tax Deferral (continued)

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	17	4.6%
Business, financial, and legal operations	10	2.7%
Computer, math, archt., and engineer	5	1.3%
Life, physical, and social science	0	0.0%
Community and social services	0	0.0%
Education, training, and library	0	0.0%
Healthcare practitioners, tech., and sup	0	0.0%
Protective svc., building, and maint.	0	0.0%
Sales and service	22	5.9%
Office and administrative support	26	7.0%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	7	1.9%
Prod., non-construct. trades, and craft	284	76.5%
Transportation and material moving	0	0.0%
Other	0	0.0%
Total	371	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, archt., and engineer	80.0%	20.0%	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, tech., and sup	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	0.0%	0.0%
Sales and service	95.5%	4.5%	0.0%
Office and administrative support	84.6%	15.4%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	100.0%	0.0%	0.0%
Prod., non-construct. trades, and craft	94.7%	5.3%	0.0%
Transportation and material moving	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Total	94.3%	5.7%	0.0%

Manufacturers Sales & Use Tax Deferral (continued)

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%	58.8%	41.2%
Business, financial, and legal operations	0.0%	0.0%	0.0%	30.0%	30.0%	40.0%
Computer, math, archt., and engineer	20.0%	0.0%	0.0%	40.0%	20.0%	20.0%
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, tech., and sup	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Protective svc., building, and maint.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sales and service	0.0%	4.5%	0.0%	50.0%	36.4%	9.1%
Office and administrative support	11.5%	23.1%	23.1%	15.4%	26.9%	0.0%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	0.0%	57.1%	28.6%	14.3%	0.0%
Prod., non-construct. trades, and craft	2.1%	47.2%	41.5%	9.2%	0.0%	0.0%
Transportation and material moving	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	2.7%	38.0%	34.5%	12.9%	8.1%	3.8%

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 less 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 50	18	\$5,351,225
50 to 250	10	12,474,908
More than 250	7	2,336,085
Total	35	\$20,162,218

Annual employment data for calendar year 2018

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	370	67.0%	33.0%
50 to 250	1,258	72.8%	27.2%
More than 250	5,473	67.1%	32.9%
Total	7,101	68.1%	31.9%

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	\$12,440,185	92.1%	7.9%
50 to 250	85,705,491	82.5%	17.5%
More than 250	228,434,786	91.9%	8.1%
Total	\$326,580,462	89.4%	10.6%

Rural county sales and use tax deferral (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	305	84.3%	14.8%	1.0%
50 to 250	1,051	93.4%	3.8%	2.8%
More than 250	4,227	94.6%	3.1%	2.3%
Total	5,583	93.8%	3.9%	2.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$11,946,095	96.4%	3.5%	0.1%
50 to 250	74,931,837	97.7%	1.0%	1.3%
More than 250	212,969,859	98.7%	1.0%	0.4%
Total	\$299,847,791	98.3%	1.1%	0.6%

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 with three or more participants. The executive summary lists incentives not reported or containing confidential taxpayer information.

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 250	6	\$1,722,662
More than 250	3	7,951,390
Total	9	\$9,674,052

Annual employment data for calendar year 2018

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	412	66.5%	33.5%
More than 250	1,981	87.9%	12.1%
Total	2,393	84.2%	15.8%

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 250	\$25,380,598	86.2%	13.8%
More than 250	859,933,362	99.2%	0.8%
Total	\$885,313,960	98.8%	1.2%

Biotechnology sales and use tax deferral (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	365	98.1%	0.8%	1.1%
More than 250	1,982	96.2%	0.9%	2.9%
Total	2,347	96.5%	0.9%	2.6%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$24,873,434	99.0%	0.4%	0.6%
More than 250	860,024,925	98.8%	1.0%	0.2%
Total	\$884,898,359	98.8%	0.9%	0.2%

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 between July 1, 2015, and July 1, 2019, and up to twelve data centers that begin construction before July 1, 2025. This exemption expires January 1, 2026. (RCW 82.82.08.986, 82.12.986)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	16	\$17,714,907
More than 250	4	43,376,514
Total	20	\$61,091,421

Annual employment data for calendar year 2018

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	319	79.0%	21.0%
More than 250	155,905	86.7%	13.3%
Total	156,224	86.7%	13.3%

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 250	\$32,501,592	91.0%	9.0%
More than 250	18,394,326,416	93.9%	6.1%
Total	\$18,426,828,008	93.9%	6.1%

Data center sales and use tax exemption (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	284	99.3%	0.4%	0.4%
More than 250	155,905	93.7%	3.5%	2.8%
Total	156,189	93.7%	3.5%	2.8%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$30,930,954	100.0%	0.0%	0.0%
More than 250	18,394,326,417	98.8%	0.8%	0.4%
Total	\$18,425,257,371	98.8%	0.8%	0.4%

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	10,115	6.5%
Business, financial, and legal operations	16,210	10.4%
Computer, math, archt., and engineer	63,623	40.7%
Life, physical, and social science	185	0.1%
Community and social services	34	0.0%
Education, training, and library	151	0.1%
Healthcare practitioners, tech., and sup	77	0.0%
Protective svc., building, and maint.	1,103	0.7%
Sales and service	20,168	12.9%
Office and administrative support	4,127	2.6%
Construction and extraction	201	0.1%
Installation, maintenance, and repair	4,429	2.8%
Prod., non-construct. trades, and craft	27,093	17.3%
Transportation and material moving	3,208	2.1%
Other	5,465	3.5%
Total	156,189	100.0%

Data center sales and use tax exemption (continued)

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	97.2%	2.2%	0.6%
Computer, math, archt., and engineer	95.4%	0.2%	4.3%
Life, physical, and social science	99.5%	0.5%	0.0%
Community and social services	97.1%	2.9%	0.0%
Education, training, and library	100.0%	0.0%	0.0%
Healthcare practitioners, tech., and sup	97.4%	2.6%	0.0%
Protective svc., building, and maint.	99.9%	0.1%	0.0%
Sales and service	70.8%	22.2%	7.0%
Office and administrative support	95.1%	3.9%	1.0%
Construction and extraction	99.0%	1.0%	0.0%
Installation, maintenance, and repair	93.7%	5.0%	1.2%
Prod., non-construct. trades, and craft	100.0%	0.0%	0.0%
Transportation and material moving	99.6%	0.3%	0.1%
Other	99.7%	0.3%	0.0%
Total	93.7%	3.5%	2.8%

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%	0.2%	0.3%	10.3%	18.9%	70.2%
Business, financial, and legal operations	2.8%	3.8%	1.8%	10.1%	30.5%	51.0%
Computer, math, archt., and engineer	0.0%	0.1%	0.2%	0.3%	8.3%	91.1%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	58.4%	41.6%
Community and social services	0.0%	0.0%	0.0%	17.6%	44.1%	38.2%
Education, training, and library	0.0%	0.0%	0.0%	0.0%	37.1%	62.9%
Healthcare practitioners, tech., and sup	0.0%	0.0%	1.3%	16.9%	59.7%	22.1%
Protective svc., building, and maint.	18.4%	10.4%	2.7%	4.1%	53.9%	10.5%
Sales and service	24.2%	10.1%	13.6%	16.9%	6.8%	28.5%
Office and administrative support	1.4%	1.4%	7.9%	20.7%	37.7%	30.9%
Construction and extraction	10.9%	10.9%	12.9%	17.9%	46.3%	1.0%
Installation, maintenance, and repair	5.2%	2.4%	3.7%	6.2%	78.5%	4.0%
Prod., non-construct. trades, and craft	6.0%	12.7%	9.4%	2.6%	68.6%	0.6%
Transportation and material moving	0.1%	1.6%	2.3%	3.6%	39.6%	52.9%
Other	0.0%	0.0%	0.2%	2.3%	49.6%	48.0%
Total	4.8%	4.2%	4.1%	5.4%	26.9%	54.6%

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	17	\$5,560,023
50 to 250	25	27,385,955
More than 250	38	343,097,245
Total	80	\$376,043,223

Annual employment data for calendar year 2018

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	406	67.5%	32.5%
50 to 250	3,790	70.9%	29.1%
More than 250	231,890	69.0%	31.0%
Total	236,086	69.1%	30.9%

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	\$37,888,111	77.5%	22.5%
50 to 250	425,202,867	86.2%	13.8%
More than 250	28,406,607,082	86.5%	13.5%
Total	\$28,869,698,060	86.4%	13.6%

High technology sales and use tax deferral (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	311	90.0%	9.3%	0.6%
50 to 250	3,124	94.0%	4.4%	1.6%
More than 250	216,924	85.2%	11.4%	3.4%
Total	220,359	85.3%	11.3%	3.3%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$30,595,116	92.9%	7.0%	0.1%
50 to 250	388,204,880	97.2%	2.1%	0.7%
More than 250	27,912,875,660	96.0%	3.5%	0.5%
Total	\$28,331,675,656	96.1%	3.4%	0.5%

Incentive amounts by high technology category

High technology category	Number of participants reporting in each category*	Incentive claimed
Advanced computing	26	\$200,442,430
Advanced materials	12	14,740,616
Biotechnology	36	128,671,075
Electronic devices	23	24,030,926
Environmental	9	8,158,176
Total	106	\$376,043,223

*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	\$5,959,433
Total	3	\$5,959,433

Annual employment data for calendar year 2018

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	44,743	65.1%	34.9%
Total	44,743	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
250 or more	\$2,276,387,533	73.7%	26.3%
Total	\$2,276,387,533	73.7%	26.3%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
250 or more	47,815	62.6%	30.4%	7.1%
Total	47,815	62.6%	30.4%	7.1%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
250 or more	\$2,843,747,160	76.4%	21.8%	1.8%
Total	\$2,843,747,160	76.4%	21.8%	1.8%

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	\$5,959,433

Chapter 6 - Renewable Energy Industry

Four 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 equipment retail sales and use tax exemption (by facility)

A sales and use tax exemption exists for machinery and equipment used directly in generating electricity from wind, sun, fuel cells, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power. In order to qualify for the exemption, the purchaser must use the machinery and equipment to develop a facility capable of generating at least one thousand watts of electricity. The exemption also includes sales of or charges made for installation labor and services of qualifying machinery and equipment. The exemption expires January 1, 2020. (RCW 82.08.962; 82.12.962)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 600	21	\$53,279
Total	21	\$53,279

Annual employment data for calendar year 2018

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	386	72.0%	28.0%
Total	386	72.0%	28.0%

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 600	\$22,358,202	89.4%	10.6%
Total	\$22,358,202	89.4%	10.6%

Renewable energy equipment retail sales and use tax exemption (by facility) (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 600	326	94.8%	4.3%	0.9%
Total	326	94.8%	4.3%	0.9%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 600	\$21,347,442	97.6%	2.1%	0.4%
Total	\$21,347,442	97.6%	2.1%	0.4%

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 one and one half percent of the business's 2014 calendar year 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	16	\$2,471,133
50 to 250	21	7,287,658
More than 250	8	29,554,806
Total	45	\$39,313,597

Annual employment data for calendar year 2018

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	407	82.3%	17.7%
50 to 250	2,741	80.9%	19.1%
More than 250	9,781	84.1%	15.9%
Total	12,929	83.4%	16.6%

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 50	\$30,977,647	93.8%	6.2%
50 to 250	216,977,619	93.3%	6.7%
More than 250	1,001,570,506	91.2%	8.8%
Total	\$1,249,525,772	91.6%	8.4%

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

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	398	88.7%	5.3%	6.0%
50 to 250	2,654	88.6%	4.7%	6.6%
More than 250	9,366	94.3%	1.4%	4.3%
Total	12,418	92.9%	2.3%	4.8%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$30,992,891	98.5%	0.9%	0.7%
50 to 250	211,776,395	98.0%	1.1%	0.9%
More than 250	990,381,671	97.8%	0.5%	1.7%
Total	\$1,233,150,957	97.8%	0.6%	1.5%

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

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

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 10	4	\$2,185
10 or more	3	157,417
Total	7	\$159,601

Annual employment data for calendar year 2018

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	6	50.0%	50.0%
10 or more	394	48.0%	52.0%
Total	400	48.0%	52.0%

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 10	\$188,193	83.1%	16.9%
10 or more	36,759,721	69.9%	30.1%
Total	\$36,947,914	70.0%	30.0%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 10	6	33.3%	66.7%	0.0%
10 or more	292	97.6%	2.4%	0.0%
Total	298	96.3%	3.7%	0.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 10	\$188,193	70.5%	29.5%	0.0%
10 or more	27,381,804	99.7%	0.3%	0.0%
Total	\$27,569,997	99.5%	0.5%	0.0%

Solar energy systems manufacturers' or wholesalers' B&O reduced tax rates (continued)

Distribution of employees by occupation class

Occupational Class	Number of employees	Percentage of employees
Management	42	14.1%
Business, financial, and legal operations	4	1.3%
Computer, math, archt., and engineer	28	9.4%
Life, physical, and social science	5	1.7%
Community and social services	0	0.0%
Education, training, and library	0	0.0%
Healthcare practitioners, tech., and sup	1	0.3%
Protective svc., building, and maint.	1	0.3%
Sales and service	9	3.0%
Office and administrative support	29	9.7%
Construction and extraction	0	0.0%
Installation, maintenance, and repair	41	13.8%
Prod., non-construct. trades, and craft	129	43.3%
Transportation and material moving	9	3.0%
Other	0	0.0%
Total	298	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, archt., 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, tech., and sup	100.0%	0.0%	0.0%
Protective svc., building, and maint.	100.0%	0.0%	0.0%
Sales and service	88.9%	11.1%	0.0%
Office and administrative support	82.8%	17.2%	0.0%
Construction and extraction	0.0%	0.0%	0.0%
Installation, maintenance, and repair	97.6%	2.4%	0.0%
Prod., non-construct. trades, and craft	100.0%	0.0%	0.0%
Transportation and material moving	100.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Total	97.7%	2.3%	0.0%

Solar energy systems manufacturers' or wholesalers' B&O reduced tax rates (continued)

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%	2.4%	7.1%	28.6%	61.9%
Business, financial, and legal operations	0.0%	0.0%	0.0%	0.0%	75.0%	25.0%
Computer, math, archt., and engineer	0.0%	10.7%	7.1%	7.1%	50.0%	25.0%
Life, physical, and social science	0.0%	0.0%	0.0%	0.0%	60.0%	40.0%
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, tech., and sup	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Protective svc., building, and maint.	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Sales and service	11.1%	11.1%	22.2%	33.3%	11.1%	11.1%
Office and administrative support	0.0%	10.3%	6.9%	62.1%	20.7%	0.0%
Construction and extraction	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Installation, maintenance, and repair	0.0%	2.4%	4.9%	2.4%	87.8%	2.4%
Prod., non-construct. trades, and craft	14.7%	19.4%	2.3%	17.8%	45.7%	0.0%
Transportation and material moving	11.1%	66.7%	11.1%	11.1%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	7.0%	13.1%	4.7%	17.1%	45.3%	12.8%

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	8	\$1,027,604
More than 250	9	1,779,174
Total	17	\$2,806,778

Annual employment data for calendar year 2018

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	1,009	89.2%	10.8%
More than 250	3,706	82.6%	17.4%
Total	4,715	84.0%	16.0%

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 250	\$61,384,499	94.7%	5.3%
More than 250	261,115,048	86.1%	13.9%
Total	\$322,499,547	87.7%	12.3%

Hog fuel sales and use tax exemption (by facility) (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	938	98.5%	1.5%	0.0%
More than 250	3,934	99.8%	0.0%	0.2%
Total	4,872	99.5%	0.3%	0.2%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$59,932,830	99.5%	0.5%	0.0%
More than 250	298,287,219	99.9%	0.0%	0.1%
Total	\$358,220,049	99.8%	0.1%	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 percent (0.3424 percent after including 0.052 percent 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 percent. (RCW 82.04.260(12))

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 50	598	\$3,302,446
50 to 250	52	3,322,122
More than 250	20	7,805,130
Total	670	\$14,429,698

Annual employment data for calendar year 2018

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	4,256	53.6%	46.4%
50 to 250	6,404	69.5%	30.5%
More than 250	10,525	81.0%	19.0%
Total	21,185	72.0%	28.0%

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	\$163,740,512	82.9%	17.1%
50 to 250	378,623,385	87.7%	12.3%
More than 250	768,525,792	88.1%	11.9%
Total	\$1,310,889,689	87.3%	12.7%

Timber and wood products reduced B&O tax rates (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	3,510	77.2%	18.9%	3.8%
50 to 250	5,375	96.5%	2.3%	1.2%
More than 250	10,102	98.2%	0.4%	1.4%
Total	18,987	93.9%	4.4%	1.8%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$149,520,393	93.1%	6.3%	0.6%
50 to 250	352,669,415	99.3%	0.5%	0.2%
More than 250	762,256,904	99.2%	0.3%	0.5%
Total	\$1,264,446,712	98.5%	1.1%	0.4%

Chapter 8 – Other Programs

There are three 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.

Government funded mental health services deduction

Nonprofit health or social welfare organizations receive a B&O tax deduction for providing mental health or chemical dependency services under a government-funded program. The same deduction applies to regional support networks for amounts received by the state for distribution to health or social welfare organizations that qualify for the deduction. (RCW 82.04.4277)

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 60	3	\$242,232
60 or more	3	1,863,613
Total	6	\$2,105,845

Annual employment data for calendar year 2018

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	127	63.8%	36.2%
60 or more	2,629	84.3%	15.7%
Total	2,756	83.3%	16.7%

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	\$5,879,945	87.3%	12.7%
60 or more	46,586,875	87.5%	12.5%
Total	\$52,466,820	87.4%	12.6%

Government funded mental health services deduction (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 60	128	84.4%	10.2%	5.5%
60 or more	2,371	88.4%	11.4%	0.1%
Total	2,499	88.2%	11.4%	0.4%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 60	\$5,824,014	90.1%	8.7%	1.2%
60 or more	39,090,774	75.1%	24.9%	0.0%
Total	\$44,914,788	77.0%	22.8%	0.2%

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 percent until July 1, 2024, at which time the rate increases to 0.484 percent.

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	71	\$190,738
50 to 250	7	98,787
More than 250	7	279,469
Total	85	\$568,994

Annual employment data for calendar year 2018

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	1,016	62.6%	37.4%
50 to 250	975	57.2%	42.8%
More than 250	18,167	97.2%	2.8%
Total	20,158	93.5%	6.5%

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	\$30,615,506	83.2%	16.8%
50 to 250	31,502,504	77.0%	23.0%
More than 250	794,280,697	99.0%	1.0%
Total	\$856,398,707	97.6%	2.4%

Newspaper reduced B&O tax rate (continued)

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 50	731	71.3%	28.5%	0.3%
50 to 250	856	69.0%	30.8%	0.1%
More than 250	19,662	22.7%	69.7%	7.6%
Total	21,249	26.3%	66.7%	7.0%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 50	\$20,592,311	89.9%	10.1%	0.0%
50 to 250	29,147,267	89.4%	10.6%	0.0%
More than 250	798,169,318	26.1%	73.9%	0.1%
Total	\$847,908,896	29.8%	70.1%	0.1%

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.

Incentive amount by participant size

Employment size	Participants	Incentive claimed
Less than 250	13	\$490,790
More than 250	6	2,989,210
Total	19	\$3,480,000

Annual employment data for calendar year 2018

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	747	44.4%	55.6%
More than 250	14,963	83.2%	16.8%
Total	15,710	81.3%	18.7%

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	\$27,639,295	82.7%	17.3%
More than 250	1,116,555,640	94.5%	5.5%
Total	\$1,144,194,935	94.2%	5.8%

Annual employment data for employees employed on December 31, 2018

Percent of employees by job status

Employment size	WA employees	Full-time	Part-time	Temporary
Less than 250	686	45.8%	48.1%	6.1%
More than 250	16,255	92.7%	6.6%	0.7%
Total	16,941	90.8%	8.3%	0.9%

Percent of wages by employment status

Employment size	Total wages	Full-time	Part-time	Temporary
Less than 250	\$29,815,950	68.8%	27.4%	3.8%
More than 250	1,233,695,830	97.9%	2.0%	0.1%
Total	\$1,263,511,780	97.2%	2.6%	0.2%