

RCW 82.04.4497 Credit—Sale or exchange of long-term capital assets. (Expires January 1, 2026.) (1) To avoid taxing the same sale or exchange under both the business and occupation tax and capital gains tax, a credit is allowed against taxes due under this chapter on a sale or exchange that is also subject to the tax imposed under RCW 82.87.040. The credit is equal to the amount of tax imposed under this chapter on such sale or exchange.

(2) The credit may be used against any tax due under this chapter.

(3) The credit under this section is earned in regards to a sale or exchange, and may be claimed against taxes due under this chapter, for the tax reporting period in which the sale or exchange occurred. The credit claimed for a tax reporting period may not exceed the tax otherwise due under this chapter for that tax reporting period. Unused credit may not be carried forward or backward to another tax reporting period. No refunds may be granted for unused credit under this section.

(4) If the credit reduces the amount of taxes deposited into the workforce education investment account established in RCW 43.79.195, the department must transfer an equal amount from the general fund to the workforce education investment account.

(5) This section expires January 1, 2026. [2025 c 409 s 1; 2021 c 196 s 16.]

Application—2025 c 409 s 1: "(1) The expiration of RCW 82.04.4497 provided in RCW 82.04.4497(5) does not affect:

(a) Any existing right acquired or liability or obligation including, but not limited to:

(i) A taxpayer's liability for tax, penalty, or interest;

(ii) A taxpayer's ability to claim a credit under RCW 82.04.4497 earned from sales or exchanges that occurred before the expiration of RCW 82.04.4497; or

(iii) A taxpayer's ability to claim relief from tax, penalty, or interest;

(b) Any rule or order adopted under RCW 82.04.4497; or

(c) Any proceeding instituted under RCW 82.04.4497.

(2) For purposes of this section, "liability for tax" means that the obligation for payment of a tax has been incurred by a taxpayer, regardless of when the tax is payable or whether the amount of tax due has been established." [2025 c 409 s 2.]

Contingency—2021 c 196 ss 5 and 16: See note following RCW 82.87.040.

Automatic expiration date and tax preference performance statement exemption—2021 c 196: See note following RCW 82.87.010.