



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 2017

## B&O Tax Credit for Washington Customized Training Program Extended

The Washington Customized Training Program (CTP) and the associated business and occupation (B&O) tax credit have been extended ([RCW 82.04.449, Substitute Senate Bill 1130](#)).

The program, administered by the State Board for Community and Technical Colleges (SBCTC), is a revolving loan fund that provides assistance for training costs to businesses locating or expanding in Washington.

Participants in the CTP can earn B&O tax credit for 50 percent of the amount paid to the program. All credits must be applied to returns filed with the Department of Revenue by June 30, 2021.

### How the program works

Businesses interested in taking advantage of this revolving loan program and earning the B&O tax credit must take the following steps:

- Partner with an eligible training institution. Eligible training institutions include:
  - A Washington community or technical college.
  - A Washington-located, private career school or college that is licensed by either the Workforce Training and Education Coordinating Board or the Higher Education Coordinating Board.
- Apply to SBCTC for a training allowance (loan).
  - After receiving an allowance, the business must send one or more employees to training.
  - Upon completion of the training, the business must repay 25 percent of the total amount of the training allowance to the SBCTC.
  - The business must repay the remaining 75 percent of the training costs over the next 18 months.

### Limits to the program

The following limits apply to the program:

- No business may receive more than \$500,000 in training allowances per calendar year. In addition, the SBCTC will determine a per employee cap for training allowances.
- Businesses with fewer than 50 employees will be given preference.

## **Claiming B&O tax credit**

A B&O tax credit for 50 percent of the full cost of their training program is available to businesses participating in this program. A business may begin claiming the credit once a payment has been made to the SBCTC. The tax credit claimed may not exceed the B&O tax amount due for the reporting period.

- Credits may be carried forward through June 30, 2021.
- No credit may be applied to a return on or after July 1, 2021.

## **Filing requirements**

Businesses claiming B&O tax credits must:

- Electronically file tax returns and related documents.
- File a completed Customized Training Credit Worksheet (available through E-file).
- File an Annual Tax Performance Report with the Department by May 31 of the year following the year the credit is claimed.

## **Additional information**

- For information regarding the Washington Customized Training Program, visit the Washington State Board for Community and Technical Colleges' website at <https://www.sbctc.edu/colleges-staff/programs-services/customized-training/>
- For help claiming the B&O tax credit, call 1-800-647-7706.