

6A.30.065 Job credits.

A. Intent.

It is the intent of the City Council to encourage growth and attract new businesses to the City. To that end, the City Council finds that an incentive measured by a business's growth in jobs is a meaningful method of attracting and retaining such businesses. Therefore, the incentive in this section is specifically targeted at new full-time positions.

B. Definitions for the purposes of this section:

1. "Eligible person" means a person or company who resides in the City and is engaging in a business activity within the City.
2. "Family wage," beginning January 1, 2018, is \$19.77 an hour. The amount will be adjusted annually on January 1, by an amount equal to the increase in the Consumer Price Index ("CPI") for Urban wage earners, Tacoma-Seattle area, using the CPI from October of the prior year. If the CPI increase is more than 5 percent, a 5 percent increase will be used in computing the basis. If the CPI decreases, no adjustment to the wage will be made.
3. "Qualified employment position" means a permanent, full-time position with compensation of at least a "family wage" within 12 months after the date of hire (allowing for training time and a probation period). If an employee is either voluntarily or involuntarily separated from employment, the employment position is considered filled on a full-time basis during a period not to exceed three months if the employer is actively recruiting a replacement employee.
4. "Resident" means a person who lives inside the city limits of Tacoma with the intent to remain.
5. "Green Jobs" or "Green Job" means either:
 - a. Jobs in businesses that produce goods or services, including research and development, for sale outside of Tacoma that align with the City of Tacoma Green Economic Development Strategy. Green goods, green services or green businesses include:
 - i. Clean Energy Products. Energy from renewable sources such as electricity, heat, or fuel generated from renewable sources. These energy sources include but are not limited to wind, biomass, geothermal, solar, ocean, hydropower, including green hydrogen, landfill gas, and municipal solid waste.
 - ii. Green Products. Products and services that improve water quality and conservation, energy efficiency and/or reduce carbon-based energy use in homes, vehicles or business operations, including public agency operations. Included in this group are energy efficient equipment, appliances, and buildings and. includes products and services provided by businesses who attest that at least 51 percent of their sales of component parts or equipment are ~~to~~ for use in green products such as used in offshore windfarms, vehicles powered by clean energy, green buildings and similar.
 - iii. Industrial Symbiosis. Businesses that participate in the exchange, sharing or reuse of by-products, energy, materials or waste specifically for the creation of new commercial products or which facilitates the reduction of environmental impacts including solid, liquid, or gaseous waste (i.e. reusable containers, carbon capture and reuse).
 - i. iv. Green Maritime and Logistics. Businesses such as shipbuilders, trucking companies, rail providers, cargo terminals and logistic providers, that reduce the carbon footprint of maritime and logistics operations through implementation of new technologies ~~for~~ that result in greater efficiency, significantly reduce carbon-based energy use, produce clean energy as defined in this section, or reduce solid waste disposal.

C. Credit.

Subject to the limits in this section, an eligible person is allowed a credit against the tax due under this chapter. The credit is based on a qualified employment position located within the City.

1. The basic credit shall be \$500 for each qualified employment position within the City.
2. An additional \$250 is available for each qualified employment position within the City meeting the requirements of the basic credit and eligible for a credit under RCW 82.04.44525.
3. An additional \$1,000 is available for each qualified employment position within the City meeting the requirements of the basic credit and where the position is a Green Job.
4. An additional \$500 is available for each qualified employment position meeting the requirements of the basic credit and where the employee hired to fill the position is a resident of Tacoma.
5. No application is necessary for the tax credit; however, information must be submitted for each new employee position for which credit is requested, and included with the first tax return in which the credit is claimed. The person must keep records necessary for the City to verify eligibility under this section. This information includes:
 - a. Employment records, including Washington State and federal tax returns, for the current year and previous five years;
 - b. Information relating to description of business activity engaged in at the eligible location by the employee; and
 - c. Employee records, including documentation of an employee's address of residency at the time the employee was hired to fill the eligible position.
6. A credit is earned for the calendar year in which the employee is hired to fill the position, plus an additional 4 subsequent consecutive years, if the position, along with the company's increased workforce of eligible persons, is maintained during the entire period.
 - a. The qualified employment position credit must be taken within 365 consecutive days after the position is filled to be eligible for the credit.
 - b. If filled before July 1, a newly created position is eligible for the full yearly credit. If filled after June 30, the position is eligible for only a half of the credit for the first calendar year and the full credit for the subsequent four years.
 - c. Credit may not be accrued and carried forward or back. No refunds may be granted for unused portion of credits under this section. If the position is filled during the calendar year, after the filing of a quarterly tax period, an amended 1st or 3rd quarter tax return will be allowed, if appropriate, to qualify for all the credit to which the employer is entitled for that year.
 - d. The purchase of an existing business does not create an allowance of the credit for existing positions.
7. If at any time the Director finds that an employer is not eligible or has lost eligibility for a tax credit under this section, the total amount of taxes for which a credit has been claimed for current and prior periods shall be immediately due, provided that if, after the effective date of this section, there exists or existed a recognized general economic recession or a declared emergency requiring an employer to lose eligibility for the tax credit under this section, then an employer is not required to pay back the tax credit received for any prior periods under this section. If an employer claims that such conditions exist and, as a result, has lost eligibility under this section, the employer must certify such facts to the City on a form approved by the Director.

However, if an employer moves its principal place of business outside the City then, regardless of any conditions, the total amount of taxes for which a credit has been claimed for current and all prior periods

shall immediately become due. The Director shall assess interest on the recapture of the credit for which the person is not eligible or has lost eligibility. The interest shall be assessed as provided in Section 6A.10.090, shall be assessed retroactively to the beginning of the reporting period in which the tax credit was allowed, and shall accrue until the taxes for which a credit has been used are repaid.