

## **B&O Tax Credit Available For Business Contributions to Local Downtown Revitalization Programs**

Does Your Company Pay State B&O Taxes? If so, you can designate your tax dollars to support Downtown Kent!

In 2005, legislation was passed in the State of Washington effectively allowing businesses to earmark their state B&O tax dollars for communities with approved downtown revitalization programs like Kent's. Banner Bank took advantage of this opportunity by making a \$15,000.00 contribution to the Kent Downtown Partnership in 2007. As a result, they were able to deduct 75% of their gift - or \$11,250.00 - from their B&O taxes in 2008.

Beginning January, 2008, we need YOU to participate in this program. The Kent Downtown Partnership is eligible to receive up to \$133,000 in contributions in 2008, with contributors deducting 75% of these contributions against their 2009 B&O tax liability. We will be competing against a much larger pool of downtown programs for a total of only \$1.5 million in credits statewide this time, and we need to establish funding commitments as early as possible. Tax credit contributions will be approved on a first come, first served basis beginning at 12:01 am on January 1, 2008. Applications are made on the Washington State Department of Revenue Online Services website.

By applying to contribute to the Kent Downtown Partnership, your tax credits remain here to directly benefit your community, and your contribution has 4 times the impact on our four areas of downtown revitalization focus: organization, promotion, design and marketing.

You must register to be an "e-filer" with the Washington State Department of Revenue to take advantage of this opportunity for Kent.

### **Online steps:**

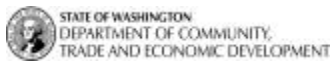
- **Go to the Department Revenue website at <http://dor.wa.gov/> and register to e-file.**
- **Click on the Main Street Tax Credit link**
- **Select Kent Downtown Partnership as recipient**
- **Request approval of a contribution dollar amount**

Approval is almost instantaneous; remaining credits are listed at the bottom of the web page. Your company then has the full year (of 2008) to make your contribution and we are happy to set up quarterly payments.

The earlier you commit, the greater chance that Kent has to benefit from this remarkable opportunity, so please pledge as early in the year as possible.

For more information, please call the Mike Miller at Valley Bank (253) 852-4609 or e-mail your questions to [mmiller@vbwa.com](mailto:mmiller@vbwa.com).

Thank you. We appreciate your support of our activities.



## **MAIN STREET TAX CREDIT INCENTIVE PROGRAM GENERAL OVERVIEW & LEGISLATION**

This new incentive program provides a Business and Occupation (B&O) tax credit or Public Utility Tax (PUT) credit for private contributions given to eligible downtown or neighborhood business district revitalization organizations or to the Department of Community, Trade and Economic Development's Main Street Trust Fund for downtown and neighborhood business district revitalization efforts. After receiving approval, a business may receive a credit for 75% of the value of a contribution made to an eligible downtown or neighborhood commercial district revitalization program or 50% of the value of the contribution made to CTED's Main Street Trust Fund. Businesses may take advantage of the tax credit up to \$250,000 per calendar year. An individual downtown and neighborhood commercial district can receive tax credit contributions up to \$100,000 per calendar year. A total of \$1.5 million in credits may be used per calendar year on a statewide basis. These funds are available on a first come, first served basis.

### **DEPARTMENT OF REVENUE CONTACTS**

1. Kathy Meincke (360) 902-7135 Tax incentive expert
2. Mickey Gearhardt (360) 570-6127 Tax Incentive expert

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