



## ACCELERATING WASHINGTON'S ECONOMIC RECOVERY

Washington is among the most dynamic and economically successful states because we have long been able to attract and grow capital — both financial and intellectual — and provide greater returns on business investment than other states. We must keep that tradition going. One way to do that is to stimulate private investment in biotechnology, software development, health care, clean technology, renewable energy, aerospace and other industries that will drive our future.

This year, even in the face of our historic financial challenges, it is imperative that we think creatively, play to our strengths and build for the future. In this vein, Governor Chris Gregoire is offering a 10-point jobs plan that will create as many as 40,000 new private-sector jobs in Washington. This is an investment worth making even in the hardest of times.

Her jobs plan calls for action in three key areas: stimulating hiring, speeding up investment in Washington and setting a foundation for growth.



### Stimulating hiring

- » **Grant a B&O tax credit for new hires.** The Governor proposes a one-time \$2,000 business and occupation (B&O) tax credit for each new full-time position created and maintained for a year. This would be available to small business employers for up to three years to help our employers all the way through the recovery. This can create 15,000 jobs that will help small businesses to stay open and put paychecks in employee wallets.

### Speeding up investment

- » **Provide a B&O tax incentive to stimulate private investment.** We need to help businesses find financing for important projects that create jobs and boost our economy. We can directly improve an expansion project's bottom line by providing employers making big capital investments a B&O tax credit equal to 5 percent of the project cost.
- » **Extend already-approved permits for 2 years.** Many hard-earned, time-limited development permits have sat unused while developers wait for financing in the credit-tight economy. The Governor will extend previously approved state development permits for two years.
- » **Help investors with permitting.** The Governor proposes to expand our successful multi-agency permitting teams, which deliver valuable expertise and customer assistance by reducing permit-processing time for complex projects. This will help businesses to quickly move from planning to job-producing construction.

Taken together, these actions should incentivize \$2 billion in private investment in Washington over the next two years, create 20,000 construction jobs over the next three years and create 5,000 ongoing jobs.

## Investing in our future

» **Engage business to make Washington more energy efficient.** Approximately \$60 million in energy savings is locked in inefficient state buildings throughout the state. The Governor will direct the creation of a program to unlock those savings through energy efficiency retrofits, which will be financed through the energy savings that result.

» **Create a Clean Energy Business**

**Development Program.** Our research institutions and technology companies have secured Washington's position as a leader in the clean energy economy. The Governor is creating a program to build on this success, working with the private sector to identify growth opportunities for which Washington has unique competitive advantages. Early efforts will focus on the smart electrical grid and trade with China. Our focus is to attract companies and keep jobs here.

» **Extend the clean fuel vehicles retail sales tax exemption.**

Continued investment in clean fuels will help attract new production facilities and related industries to our state. It also will take advantage of the market's move to clean cars and alternative fuels and of new federal funding for clean transportation.



» **Extend tax exemptions for biofuels.**

Washington's incentives to encourage biofuel manufacturing have worked — the largest biodiesel refinery in the country is located in western Washington, contributing more than \$50 million in revenue to the state, while 1,400 family farms grow the oilseeds for our biodiesel refinery in Eastern Washington. Extending this exemption will attract the capital and business development expertise needed to maintain support for this emerging industry.

» **Extend tax incentives for Federal Aviation Regulation Part 145 Repair Stations.**

These employers now are entitled to the same

B&O tax incentive rate that other commercial aerospace employers receive. However, whereas other incentive rates expire in 2024, the B&O rate for repair stations expires July 1, 2011. Extending this incentive to match the expiration of other aerospace rates will continue the success seen in the repair sector of our aerospace industry.

» **Establish a sales tax deferral/waiver for distressed counties.**

Nineteen counties have unemployment rates greater than 14 percent. The Governor proposes to establish a sales tax incentive in these counties to spur private investment and put people to work.