
HOUSE BILL 1208

State of Washington

54th Legislature

1995 Regular Session

By Representatives Smith, Campbell, Koster, Thompson, Buck and Blanton

Read first time 01/17/95. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to tax exemptions for businesses; adding a new
2 section to chapter 82.08 RCW; adding a new section to chapter 82.12
3 RCW; creating a new section; providing an effective date; and declaring
4 an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds and declares that:

7 (1) The health, safety, and welfare of the people of the state of
8 Washington are heavily dependent upon the continued encouragement,
9 development, and expansion of opportunities for family wage employment
10 in our state's private sector;

11 (2) The state's private sector must be encouraged to commit to
12 continuous improvement of process, products, and services and to
13 deliver high-quality, high-value products through technological
14 innovations and high-performance work organizations;

15 (3) The state's opportunities for increased economic dealings with
16 other states and nations of the world are dependent on supporting and
17 attracting a diverse, stable, and competitive economic base of private
18 sector employers;

1 (4) The state's high taxes on businesses have placed our state's
2 private sector at a competitive disadvantage with other states and
3 serves as a significant disincentive to the continuous improvement of
4 products, technology, and modernization necessary for the preservation,
5 stabilization, and expansion of employment and to ensure a stable
6 economy; and

7 (5) It is vital to the continued development of economic
8 opportunity in this state, including the development of new businesses
9 and the expansion or modernization of existing businesses, that the
10 state of Washington remove tax policy barriers to entities making a
11 commitment to facilities and operations in this state.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
13 to read as follows:

14 (1) The tax levied by RCW 82.08.020 shall not apply to sales to a
15 business of capital assets used directly in the business, or to sales
16 of or charges made for labor and services rendered in respect to
17 installing the capital asset.

18 (2) As used in this section, "capital asset" means property of a
19 type which is eligible for depreciation, amortization, or accelerated
20 capital cost recovery under the federal internal revenue code.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
22 to read as follows:

23 (1) The provisions of this chapter shall not apply in respect to
24 the use by a business of capital assets used directly in the business,
25 or to sales of or charges made for labor and services rendered in
26 respect to installing the capital asset.

27 (2) As used in this section, "capital asset" means property of a
28 type which is eligible for depreciation, amortization, or accelerated
29 capital cost recovery under the federal internal revenue code.

30 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of the
32 state government and its existing public institutions, and shall take
33 effect July 1, 1995.

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