

6656-S

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Bauer, Cantu, Sutherland, Moyer, Owen, Hale, Hargrove, Schow, Heavey, Wood, Rasmussen, Strannigan, Sheldon, Finkbeiner, Franklin, Johnson, Snyder, West, Winsley, Zarelli, Long, Deccio, Oke, Spanel and A. Anderson)

Brief Description: Providing sales and use tax exemptions for manufacturing machinery and equipment.

**SB 6656-S - DIGEST**

(DIGEST AS ENACTED)

Authorizes sales and use tax exemptions for manufacturing machinery and equipment.

Deletes the labor and services for repair of machinery and equipment from the definition of a "consumer" for the purposes of chapter 82.04 RCW.

VETO MESSAGE ON SB 6656-S

March 28, 1996

To the Honorable President and Members,  
The Senate of the State of Washington  
Ladies and Gentlemen:

I am returning herewith, without my approval as to section 4, Substitute Senate Bill No. 6656 entitled:

"AN ACT Relating to sales and use tax exemptions for manufacturing machinery and equipment;"

Substitute Senate Bill No. 6656 provides an exemption from the sales and use taxes for repair and replacement parts with a useful life of one year or more, as well as a sales and use tax exemption for labor and service charges for repairing, cleaning, altering, or improving machinery and equipment.

I agree with the finding of the legislature that this measure would improve the ability of Washington State to compete with other states in our region for manufacturing investment. This type of legislation helps bring more family wage jobs to the state as well as enhance and solidify the state's competitive position. I further agree with the legislature's finding that the health, safety, and welfare of the people of the state of Washington are heavily dependent upon the continued development and expansion of the state's manufacturing industries. In that light, I am vetoing section 4 of Substitute Senate Bill No. 6656. This section establishes an effective date for the bill of January 1, 1997.

The necessity and importance of this type of legislation dictates that it be put into effect as soon as possible so that the economic benefits of increased employment and family wage jobs for the people of the state of Washington can begin immediately rather than next year. In addition, allowing the bill to become law within the usual 90 days after adjournment of the legislature will provide an additional \$11.2 million in sales and use tax relief to manufacturers in the state.

For this reason, I have vetoed section 4 of Substitute Senate Bill No. 6656.

With the exception of section 4, Substitute Senate Bill No. 6656 is approved.

Respectfully submitted,  
Mike Lowry  
Governor