

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5359

55th Legislature
1997 Regular Session

Passed by the Senate April 21, 1997
YEAS 43 NAYS 1

President of the Senate

Passed by the House April 15, 1997
YEAS 97 NAYS 0

**Speaker of the
House of Representatives**

Approved

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5359** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5359

AS AMENDED BY THE HOUSE

Passed Legislature - 1997 Regular Session

State of Washington 55th Legislature 1997 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Swecker, Fraser, West and Winsley)

Read first time 02/20/97.

1 AN ACT Relating to clarifying the exemption from sales and use
2 taxation of the materials used by small companies in the design and
3 development of aircraft parts, auxiliary equipment, and aircraft
4 modification; amending RCW 82.08.02566 and 82.12.02566; providing an
5 effective date; and declaring an emergency.

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

7 **Sec. 1.** RCW 82.08.02566 and 1996 c 247 s 4 are each amended to
8 read as follows:

9 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
10 ((materials used in designing and developing aircraft parts, auxiliary
11 equipment, and aircraft modification whether from enterprise funds or
12 on a contract or fee basis for a taxpayer with gross sales of less than
13 twenty million dollars per year. This exemption may not exceed one
14 hundred thousand dollars for a taxpayer in a year)) tangible personal
15 property incorporated into a prototype for aircraft parts, auxiliary
16 equipment, or modifications; or to sales of tangible personal property
17 that at one time is incorporated into the prototype but is later
18 destroyed in the testing or development of the prototype.

1 (2) This exemption does not apply to sales to any person whose
2 total taxable amount during the immediately preceding calendar year
3 exceeds twenty million dollars. For purposes of this section, "total
4 taxable amount" means gross income of the business and value of
5 products manufactured, less any amounts for which a credit is allowed
6 under RCW 82.04.440.

7 (3) State and local taxes for which an exemption is received under
8 this section and RCW 82.12.02566 shall not exceed one hundred thousand
9 dollars for any person during any calendar year.

10 **Sec. 2.** RCW 82.12.02566 and 1996 c 247 s 5 are each amended to
11 read as follows:

12 (1) The provisions of this chapter shall not apply with respect to
13 the use of ((materials used in designing and developing aircraft parts,
14 auxiliary equipment, and aircraft modification whether from enterprise
15 funds or on a contract or fee basis for a taxpayer with gross sales of
16 less than twenty million dollars per year. This exemption may not
17 exceed one hundred thousand dollars for a taxpayer in a year)) tangible
18 personal property incorporated into a prototype for aircraft parts,
19 auxiliary equipment, or modifications; or in respect to the use of
20 tangible personal property that at one time is incorporated into the
21 prototype but is later destroyed in the testing or development of the
22 prototype.

23 (2) This exemption does not apply in respect to the use of tangible
24 personal property by any person whose total taxable amount during the
25 immediately preceding calendar year exceeds twenty million dollars.
26 For purposes of this section, "total taxable amount" means gross income
27 of the business and value of products manufactured, less any amounts
28 for which a credit is allowed under RCW 82.04.440.

29 (3) State and local taxes for which an exemption is received under
30 this section and RCW 82.08.02566 shall not exceed one hundred thousand
31 dollars for any person during any calendar year.

32 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of the
34 state government and its existing public institutions, and takes effect
35 July 1, 1997.

--- END ---