

6348

Sponsor(s): Senators Hale and Haugen; by request of Department of Revenue

Brief Title: Eliminating requirements for filing certificates or annual summaries for sales and use tax exemptions on manufacturing machinery and equipment.

SB 6348 - DIGEST

(DIGEST AS ENACTED)

Deletes requirements for filing certificates or annual summaries for sales and use tax exemptions on manufacturing machinery and equipment.

VETO MESSAGE ON SB 6348

April 3, 1998

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 sections 3 and 4 of Senate Bill No. 6348 entitled:

"AN ACT Relating to eliminating requirements for filing certificates or annual summaries for sales and use tax exemptions on manufacturing machinery and equipment;"

Senate Bill No. 6348 amends the state retail sales and use tax statutes to relieve taxpayers of the burden of making reports and annual summaries of tax exempt purchases, for submission to the Department of Revenue.

One of my goals as Governor is the simplification of our tax system and the reduction of regulations for businesses. The Department of Revenue developed this legislation in an effort to reach that goal. The original intent of the bill was to immediately relieve taxpayers eligible for the machinery and equipment tax exemption from the burden of submitting duplicate exemption certificates or purchase summaries to the Department.

The Legislature amended the bill by adding sections 3 and 4. Section 4 would require taxpayers to submit, for an additional six months, reports of machinery and equipment purchases before qualifying for the sales and use tax exemption. However, section 3 would not require the Department to deny exemptions if the taxpayers did not send in reports. This would create conflicting policies and extend the period during which businesses must submit redundant paperwork to the Department. This is unnecessary, burdensome, and contrary to the bill's original purpose.

For these reasons, I have vetoed sections 3 and 4 of Senate Bill No. 6348.

With the exception of sections 3 and 4, Senate Bill No. 6348 is approved.

Respectfully submitted,
Gary Locke

Governor