
SENATE BILL 6047

State of Washington 64th Legislature 2015 Regular Session

By Senators Baumgartner, Liiias, Padden, Hobbs, and Roach

Read first time 02/24/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing a sales and use tax exemption for
2 certain new building construction to be used by maintenance repair
3 operators for commercial airplane repair and maintenance; amending
4 RCW 82.08.980 and 82.12.980; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** This section is the tax preference
7 performance statement for the tax preference contained in sections 2
8 and 3 of this act. This performance statement is only intended to be
9 used for subsequent evaluation of the tax preference. It is not
10 intended to create a private right of action by any party or be used
11 to determine eligibility for preferential tax treatment.

12 (1) The legislature categorizes this tax preference as one
13 intended to create jobs, as indicated in RCW 82.32.808(2)(c).

14 (2) The joint legislative audit and review committee must review
15 these tax preferences during calendar year 2020. If the review finds
16 that at least two hundred fifty additional jobs compared to the
17 employment today, in the F.A.A. part 145 repair station sector, has
18 taken place in the first five years of the enactment of this act,
19 then the legislature intends that the expiration dates remain. If
20 there are not at least two hundred fifty additional jobs in the

1 F.A.A. part 145 repair station sector, then the legislature intends
2 for this act to expire July 1, 2021.

3 (3) In order to obtain the data necessary to perform the review
4 in subsection (2) of this section, the joint legislative audit and
5 review committee may refer to the annual survey for tax preferences
6 that F.A.A. part 145 repair stations are required to file with the
7 department.

8 **Sec. 2.** RCW 82.08.980 and 2013 3rd sp.s. c 2 s 3 are each
9 amended to read as follows:

10 (1) The tax levied by RCW 82.08.020 does not apply to:

11 (a) Charges, for labor and services rendered in respect to the
12 constructing of new buildings, made to (i) a manufacturer engaged in
13 the manufacturing of commercial airplanes or the fuselages or wings
14 of commercial airplanes (~~(e)~~); (ii) a port district, political
15 subdivision, or municipal corporation, to be leased to a manufacturer
16 engaged in the manufacturing of commercial airplanes or the fuselages
17 or wings of commercial airplanes; (iii) a maintenance repair operator
18 engaged in the maintenance of commercial airplanes or the fuselages
19 or wings of commercial airplanes; or (iv) a port district, political
20 subdivision, or municipal corporation to be leased to a maintenance
21 repair operator engaged in the maintenance of commercial airplanes or
22 the fuselages or wings of commercial airplanes. For the purposes of
23 this subsection (1)(a), "maintenance repair operator" means a person
24 classified by the federal aviation administration as a federal
25 aviation regulation part 145 certificated repair station;

26 (b) Sales of tangible personal property that will be incorporated
27 as an ingredient or component of such buildings during the course of
28 the constructing; or

29 (c) Charges made for labor and services rendered in respect to
30 installing, during the course of constructing such buildings,
31 building fixtures not otherwise eligible for the exemption under RCW
32 82.08.02565(2)(b).

33 (2) The exemption is available only when the buyer provides the
34 seller with an exemption certificate in a form and manner prescribed
35 by the department. The seller must retain a copy of the certificate
36 for the seller's files.

37 (3) No application is necessary for the tax exemption in this
38 section. However, in order to qualify under this section before
39 starting construction, the port district, political subdivision, or

1 municipal corporation must have entered into an agreement with the
2 manufacturer to build such a facility. A person claiming the
3 exemption under this section is subject to all the requirements of
4 chapter 82.32 RCW. In addition, the person must file a complete
5 annual report with the department under RCW 82.32.534.

6 (4) The exemption in this section applies to buildings or parts
7 of buildings, including buildings or parts of buildings used for the
8 storage of raw materials or finished product, that are used primarily
9 in the manufacturing of any one or more of the following products:

10 (a) Commercial airplanes;

11 (b) Fuselages of commercial airplanes; or

12 (c) Wings of commercial airplanes.

13 (5) For the purposes of this section, "commercial airplane" has
14 the meaning given in RCW 82.32.550.

15 (6) If the employment metrics outlined in section 1 of this act
16 are not met by 2020, any maintenance repair operator taking advantage
17 of the exemption in this section must repay the exempted sales tax
18 back to the department in 2021.

19 (7) This section expires July 1, 2040.

20 **Sec. 3.** RCW 82.12.980 and 2013 3rd sp.s. c 2 s 4 are each
21 amended to read as follows:

22 (1) The provisions of this chapter do not apply with respect to
23 the use of:

24 (a) Tangible personal property that will be incorporated as an
25 ingredient or component in constructing new buildings for (i) a
26 manufacturer or maintenance repair operator engaged in the
27 manufacturing or maintaining of commercial airplanes or the fuselages
28 or wings of commercial airplanes or (ii) a port district, political
29 subdivision, or municipal corporation, to be leased to a manufacturer
30 or maintenance repair operator engaged in the manufacturing of
31 commercial airplanes or the fuselages or wings of commercial
32 airplanes; or

33 (b) Labor and services rendered in respect to installing, during
34 the course of constructing such buildings, building fixtures not
35 otherwise eligible for the exemption under RCW 82.08.02565(2)(b).

36 (2) The eligibility requirements, conditions, and definitions in
37 RCW 82.08.980 apply to this section, including the filing of a
38 complete annual report with the department under RCW 82.32.534.

1 (3) This section expires July 1, 2040.

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