

CERTIFICATION OF ENROLLMENT

**ENGROSSED SENATE BILL 6690**

66th Legislature  
2020 Regular Session

Passed by the Senate March 12, 2020  
Yeas 45 Nays 4

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**President of the Senate**

Passed by the House March 11, 2020  
Yeas 73 Nays 24

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**Speaker of the House of  
Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 6690** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**ENGROSSED SENATE BILL 6690**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2020 Regular Session

**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senators Lias and King

1 AN ACT Relating to aerospace business and occupation taxes and  
2 world trade organization compliance; reenacting and amending RCW  
3 82.04.260; adding a new section to chapter 82.04 RCW; adding a new  
4 section to chapter 51.04 RCW; creating new sections; and declaring an  
5 emergency.

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

7 NEW SECTION. **Sec. 1.** (1) Over the past two decades, the  
8 legislature has taken significant action to promote a positive  
9 business environment for Washington's aerospace industry. The  
10 legislature finds that the industry plays a significant role not only  
11 in the health of Washington's economy, but also in the health of the  
12 United States economy. Moreover, the domestic aerospace industry has  
13 faced significant challenges with the large subsidies provided to  
14 international competitors.

15 (2) The legislature finds that a commitment to the elimination of  
16 trade barriers for aerospace as well as several other vital  
17 Washington exports is important. The legislature also wishes to help  
18 bring the United States into full compliance with a recent world  
19 trade organization ruling asserting Washington's business and  
20 occupation tax rate of 0.2904 percent violates world trade  
21 organization rules. The legislature hopes this action to help bring

1 the United States into compliance will end the threat of retaliatory  
2 tariffs against many of Washington's industries, including  
3 agricultural products, fish, wine, and intellectual property.

4 (3) The legislature appreciates the state aerospace industry's  
5 commitment to complying with the world trade organization ruling by  
6 advocating for the repeal of the preferential business and occupation  
7 tax. The legislature hopes that the repeal of this Washington  
8 aerospace preference will ensure continued economic success and  
9 competitiveness for the industry as well as many other industries.  
10 The legislature further hopes that the repeal of the 0.2904 business  
11 and occupation tax will allow for the complete resolution of all  
12 trade disputes surrounding large civil aircraft.

13 (4) The legislature further finds that the people of Washington  
14 benefit from the presence of the aerospace industry in Washington  
15 state. The industry provides good wages and benefits for thousands of  
16 engineers, technicians, mechanics, and support staff working across  
17 the state. Furthermore, the legislature has a goal of preserving and  
18 growing employment in Washington state. The legislature intends that  
19 the future consideration of all tax measures will work to achieve  
20 this goal in a manner compliant with the world trade organization.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04  
22 RCW to read as follows:

23 The rate of 0.357 percent authorized pursuant to RCW  
24 82.04.260(11)(e) may be imposed only if the following conditions are  
25 met:

26 (1) The department of commerce verifies with the United States  
27 trade representative that the United States and the European Union  
28 have entered into a written agreement that resolves any world trade  
29 organization disputes involving large civil aircraft.

30 (2) Such agreement expressly allows a business and occupation tax  
31 rate reduction for commercial airplane manufacturers to 0.357 percent  
32 or less.

33 (3) The department of commerce notifies the department in writing  
34 that the conditions of subsections (1) and (2) of this section are  
35 met and provides a copy of the agreement between the United States  
36 and the European Union or other document providing for the business  
37 and occupation tax rate reduction to the department.

38 (4) The department of labor and industries notifies the  
39 department in writing that a significant commercial airplane

1 manufacturer has at least a three-tenths of one percent aerospace  
2 apprenticeship utilization rate of its qualified apprenticeable  
3 workforce in Washington, as defined in section 4 of this act.

4 (5) Within thirty days of receiving the last of the written  
5 notices described in subsections (3) and (4) of this section, the  
6 department must provide written notice to the chief clerk of the  
7 house of representatives, the secretary of the senate, the office of  
8 the code reviser, and others as deemed appropriate by the department,  
9 that the tax rates in RCW 82.04.260(11)(e) are reduced to 0.357  
10 percent and the effective date of the rate reduction.

11 (6) Any rate reduction to 0.357 percent pursuant to this section  
12 and RCW 82.04.260(11)(e) must occur on the first day of the next  
13 calendar quarter that is at least sixty days after the department  
14 receives the last of the written notices described in subsections (3)  
15 and (4) of this section.

16 (7) For the purpose of this section, "world trade organization  
17 disputes involving large civil airplanes" means any disputes filed by  
18 the United States or the European Union prior to the effective date  
19 of this section that involve either allegations of subsidies to large  
20 civil airplanes, or allegations of taxes imposed by Washington on  
21 commercial airplanes, or both.

22 **Sec. 3.** RCW 82.04.260 and 2019 c 425 s 1 and 2019 c 336 s 4 are  
23 each reenacted and amended to read as follows:

24 (1) Upon every person engaging within this state in the business  
25 of manufacturing:

26 (a) Wheat into flour, barley into pearl barley, soybeans into  
27 soybean oil, canola into canola oil, canola meal, or canola by-  
28 products, or sunflower seeds into sunflower oil; as to such persons  
29 the amount of tax with respect to such business is equal to the value  
30 of the flour, pearl barley, oil, canola meal, or canola by-product  
31 manufactured, multiplied by the rate of 0.138 percent;

32 (b) Beginning July 1, 2025, seafood products that remain in a  
33 raw, raw frozen, or raw salted state at the completion of the  
34 manufacturing by that person; or selling manufactured seafood  
35 products that remain in a raw, raw frozen, or raw salted state at the  
36 completion of the manufacturing, to purchasers who transport in the  
37 ordinary course of business the goods out of this state; as to such  
38 persons the amount of tax with respect to such business is equal to  
39 the value of the products manufactured or the gross proceeds derived

1 from such sales, multiplied by the rate of 0.138 percent. Sellers  
2 must keep and preserve records for the period required by RCW  
3 82.32.070 establishing that the goods were transported by the  
4 purchaser in the ordinary course of business out of this state;

5 (c) (i) Except as provided otherwise in (c) (iii) of this  
6 subsection, from July 1, 2025, until January 1, 2036, dairy products;  
7 or selling dairy products that the person has manufactured to  
8 purchasers who either transport in the ordinary course of business  
9 the goods out of state or purchasers who use such dairy products as  
10 an ingredient or component in the manufacturing of a dairy product;  
11 as to such persons the tax imposed is equal to the value of the  
12 products manufactured or the gross proceeds derived from such sales  
13 multiplied by the rate of 0.138 percent. Sellers must keep and  
14 preserve records for the period required by RCW 82.32.070  
15 establishing that the goods were transported by the purchaser in the  
16 ordinary course of business out of this state or sold to a  
17 manufacturer for use as an ingredient or component in the  
18 manufacturing of a dairy product.

19 (ii) For the purposes of this subsection (1)(c), "dairy products"  
20 means:

21 (A) Products, not including any marijuana-infused product, that  
22 as of September 20, 2001, are identified in 21 C.F.R., chapter 1,  
23 parts 131, 133, and 135, including by-products from the manufacturing  
24 of the dairy products, such as whey and casein; and

25 (B) Products comprised of not less than seventy percent dairy  
26 products that qualify under (c)(ii)(A) of this subsection, measured  
27 by weight or volume.

28 (iii) The preferential tax rate provided to taxpayers under this  
29 subsection (1)(c) does not apply to sales of dairy products on or  
30 after July 1, 2023, where a dairy product is used by the purchaser as  
31 an ingredient or component in the manufacturing in Washington of a  
32 dairy product;

33 (d) (i) Beginning July 1, 2025, fruits or vegetables by canning,  
34 preserving, freezing, processing, or dehydrating fresh fruits or  
35 vegetables, or selling at wholesale fruits or vegetables manufactured  
36 by the seller by canning, preserving, freezing, processing, or  
37 dehydrating fresh fruits or vegetables and sold to purchasers who  
38 transport in the ordinary course of business the goods out of this  
39 state; as to such persons the amount of tax with respect to such  
40 business is equal to the value of the products manufactured or the

1 gross proceeds derived from such sales multiplied by the rate of  
2 0.138 percent. Sellers must keep and preserve records for the period  
3 required by RCW 82.32.070 establishing that the goods were  
4 transported by the purchaser in the ordinary course of business out  
5 of this state.

6 (ii) For purposes of this subsection (1)(d), "fruits" and  
7 "vegetables" do not include marijuana, useable marijuana, or  
8 marijuana-infused products; and

9 (e) Wood biomass fuel; as to such persons the amount of tax with  
10 respect to the business is equal to the value of wood biomass fuel  
11 manufactured, multiplied by the rate of 0.138 percent. For the  
12 purposes of this section, "wood biomass fuel" means a liquid or  
13 gaseous fuel that is produced from lignocellulosic feedstocks,  
14 including wood, forest, or field residue and dedicated energy crops,  
15 and that does not include wood treated with chemical preservations  
16 such as creosote, pentachlorophenol, or copper-chrome-arsenic.

17 (2) Upon every person engaging within this state in the business  
18 of splitting or processing dried peas; as to such persons the amount  
19 of tax with respect to such business is equal to the value of the  
20 peas split or processed, multiplied by the rate of 0.138 percent.

21 (3) Upon every nonprofit corporation and nonprofit association  
22 engaging within this state in research and development, as to such  
23 corporations and associations, the amount of tax with respect to such  
24 activities is equal to the gross income derived from such activities  
25 multiplied by the rate of 0.484 percent.

26 (4) Upon every person engaging within this state in the business  
27 of slaughtering, breaking and/or processing perishable meat products  
28 and/or selling the same at wholesale only and not at retail; as to  
29 such persons the tax imposed is equal to the gross proceeds derived  
30 from such sales multiplied by the rate of 0.138 percent.

31 (5)(a) Upon every person engaging within this state in the  
32 business of acting as a travel agent or tour operator and whose  
33 annual taxable amount for the prior calendar year was two hundred  
34 fifty thousand dollars or less; as to such persons the amount of the  
35 tax with respect to such activities is equal to the gross income  
36 derived from such activities multiplied by the rate of 0.275 percent.

37 (b) Upon every person engaging within this state in the business  
38 of acting as a travel agent or tour operator and whose annual taxable  
39 amount for the calendar year was more than two hundred fifty thousand  
40 dollars; as to such persons the amount of the tax with respect to

1 such activities is equal to the gross income derived from such  
2 activities multiplied by the rate of 0.275 percent through June 30,  
3 2019, and 0.9 percent beginning July 1, 2019.

4 (6) Upon every person engaging within this state in business as  
5 an international steamship agent, international customs house broker,  
6 international freight forwarder, vessel and/or cargo charter broker  
7 in foreign commerce, and/or international air cargo agent; as to such  
8 persons the amount of the tax with respect to only international  
9 activities is equal to the gross income derived from such activities  
10 multiplied by the rate of 0.275 percent.

11 (7) Upon every person engaging within this state in the business  
12 of stevedoring and associated activities pertinent to the movement of  
13 goods and commodities in waterborne interstate or foreign commerce;  
14 as to such persons the amount of tax with respect to such business is  
15 equal to the gross proceeds derived from such activities multiplied  
16 by the rate of 0.275 percent. Persons subject to taxation under this  
17 subsection are exempt from payment of taxes imposed by chapter 82.16  
18 RCW for that portion of their business subject to taxation under this  
19 subsection. Stevedoring and associated activities pertinent to the  
20 conduct of goods and commodities in waterborne interstate or foreign  
21 commerce are defined as all activities of a labor, service or  
22 transportation nature whereby cargo may be loaded or unloaded to or  
23 from vessels or barges, passing over, onto or under a wharf, pier, or  
24 similar structure; cargo may be moved to a warehouse or similar  
25 holding or storage yard or area to await further movement in import  
26 or export or may move to a consolidation freight station and be  
27 stuffed, unstuffed, containerized, separated or otherwise segregated  
28 or aggregated for delivery or loaded on any mode of transportation  
29 for delivery to its consignee. Specific activities included in this  
30 definition are: Wharfage, handling, loading, unloading, moving of  
31 cargo to a convenient place of delivery to the consignee or a  
32 convenient place for further movement to export mode; documentation  
33 services in connection with the receipt, delivery, checking, care,  
34 custody and control of cargo required in the transfer of cargo;  
35 imported automobile handling prior to delivery to consignee; terminal  
36 stevedoring and incidental vessel services, including but not limited  
37 to plugging and unplugging refrigerator service to containers,  
38 trailers, and other refrigerated cargo receptacles, and securing ship  
39 hatch covers.

1 (8) (a) Upon every person engaging within this state in the  
2 business of disposing of low-level waste, as defined in RCW  
3 43.145.010; as to such persons the amount of the tax with respect to  
4 such business is equal to the gross income of the business, excluding  
5 any fees imposed under chapter 43.200 RCW, multiplied by the rate of  
6 3.3 percent.

7 (b) If the gross income of the taxpayer is attributable to  
8 activities both within and without this state, the gross income  
9 attributable to this state must be determined in accordance with the  
10 methods of apportionment required under RCW 82.04.460.

11 (9) Upon every person engaging within this state as an insurance  
12 producer or title insurance agent licensed under chapter 48.17 RCW or  
13 a surplus line broker licensed under chapter 48.15 RCW; as to such  
14 persons, the amount of the tax with respect to such licensed  
15 activities is equal to the gross income of such business multiplied  
16 by the rate of 0.484 percent.

17 (10) Upon every person engaging within this state in business as  
18 a hospital, as defined in chapter 70.41 RCW, that is operated as a  
19 nonprofit corporation or by the state or any of its political  
20 subdivisions, as to such persons, the amount of tax with respect to  
21 such activities is equal to the gross income of the business  
22 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5  
23 percent thereafter.

24 (11) (a) Beginning October 1, 2005, upon every person engaging  
25 within this state in the business of manufacturing commercial  
26 airplanes, or components of such airplanes, or making sales, at  
27 retail or wholesale, of commercial airplanes or components of such  
28 airplanes, manufactured by the seller, as to such persons the amount  
29 of tax with respect to such business is, in the case of  
30 manufacturers, equal to the value of the product manufactured and the  
31 gross proceeds of sales of the product manufactured, or in the case  
32 of processors for hire, equal to the gross income of the business,  
33 multiplied by the rate of:

34 (i) 0.4235 percent from October 1, 2005, through June 30, 2007;  
35 ((and))

36 (ii) 0.2904 percent beginning July 1, 2007, through March 31,  
37 2020; and

38 (iii) Beginning April 1, 2020, 0.484 percent, subject to any  
39 reduction required under (e) of this subsection (11). The tax rate in



1 this subsection (11)(a)(iii) applies to all business activities  
2 described in this subsection (11)(a).

3 (b) Beginning July 1, 2008, upon every person who is not eligible  
4 to report under the provisions of (a) of this subsection (11) and is  
5 engaging within this state in the business of manufacturing tooling  
6 specifically designed for use in manufacturing commercial airplanes  
7 or components of such airplanes, or making sales, at retail or  
8 wholesale, of such tooling manufactured by the seller, as to such  
9 persons the amount of tax with respect to such business is, in the  
10 case of manufacturers, equal to the value of the product manufactured  
11 and the gross proceeds of sales of the product manufactured, or in  
12 the case of processors for hire, be equal to the gross income of the  
13 business, multiplied by the rate of:

14 (i) 0.2904 percent through March 31, 2020; and

15 (ii) Beginning April 1, 2020, the following rates, which are  
16 subject to any reduction required under (e) of this subsection (11):

17 (A) The rate under RCW 82.04.250(1) on the business of making  
18 retail sales of tooling specifically designed for use in  
19 manufacturing commercial airplanes or components of such airplanes;  
20 and

21 (B) 0.484 percent on all other business activities described in  
22 this subsection (11)(b).

23 (c) For the purposes of this subsection (11), "commercial  
24 airplane" and "component" have the same meanings as provided in RCW  
25 82.32.550.

26 (d) (i) In addition to all other requirements under this title, a  
27 person reporting under the tax rate provided in this subsection (11)  
28 must file a complete annual tax performance report with the  
29 department under RCW 82.32.534. However, this requirement does not  
30 apply to persons reporting under the tax rate in (a)(iii) of this  
31 subsection (11), so long as that rate remains 0.484 percent, or under  
32 any of the tax rates in (b)(ii)(A) and (B) of this subsection (11),  
33 so long as those tax rates remain the rate imposed pursuant to RCW  
34 82.04.250(1) and 0.484 percent, respectively.

35 (ii) Nothing in (d)(i) of this subsection (11) may be construed  
36 as affecting the obligation of a person reporting under a tax rate  
37 provided in this subsection (11) to file a complete annual tax  
38 performance report with the department under RCW 82.32.534: (A)  
39 Pursuant to another provision of this title as a result of claiming a  
40 tax credit or exemption; or (B) pursuant to (d)(i) of this subsection

1 (11) as a result of claiming the tax rates in (a)(ii) or (b)(i) of  
2 this subsection (11) for periods ending before April 1, 2020.

3 (e)(i) After March 31, 2021, the tax rates under (a)(iii) and  
4 (b)(ii) of this subsection (11) must be reduced to 0.357 percent  
5 provided the conditions in section 2 of this act are met. The  
6 effective date of the rates authorized under this subsection (11)(e)  
7 must occur on the first day of the next calendar quarter that is at  
8 least sixty days after the department receives the last of the two  
9 written notices pursuant to section 2 (3) and (4) of this act.

10 (ii) Both a significant commercial airplane manufacturer  
11 separately and the rest of the aerospace industry as a whole,  
12 receiving the rate of 0.357 percent under this subsection (11)(e) are  
13 subject to the aerospace apprenticeship utilization rates required  
14 under section 4 of this act by April 1, 2026, or five years after the  
15 effective date of the 0.357 percent rate authorized under this  
16 subsection (11)(e), whichever is later, as determined by the  
17 department of labor and industries.

18 (iii) The provisions of RCW 82.32.805 and 82.32.808 do not apply  
19 to this subsection (11)(e).

20 (f)(i) Except as provided in (~~(e)~~) (f)(ii) of this subsection  
21 (11), this subsection (11) does not apply on and after July 1, 2040.

22 (ii) With respect to the manufacturing of commercial airplanes or  
23 making sales, at retail or wholesale, of commercial airplanes, this  
24 subsection (11) does not apply on and after July 1st of the year in  
25 which the department makes a determination that any final assembly or  
26 wing assembly of any version or variant of a commercial airplane that  
27 is the basis of a siting of a significant commercial airplane  
28 manufacturing program in the state under RCW 82.32.850 has been sited  
29 outside the state of Washington. This subsection (11)(~~(e)~~) (f)(ii)  
30 only applies to the manufacturing or sale of commercial airplanes  
31 that are the basis of a siting of a significant commercial airplane  
32 manufacturing program in the state under RCW 82.32.850. This  
33 subsection (11)(f)(ii) continues to apply during the time that a  
34 person is subject to the tax rate in (a)(iii) of this subsection  
35 (11).

36 (g) For the purposes of this subsection, "a significant  
37 commercial airplane manufacturer" means a manufacturer of commercial  
38 airplanes with at least fifty thousand full-time employees in  
39 Washington as of January 1, 2021.

1 (12)(a) Until July 1, 2045, upon every person engaging within  
2 this state in the business of extracting timber or extracting for  
3 hire timber; as to such persons the amount of tax with respect to the  
4 business is, in the case of extractors, equal to the value of  
5 products, including by-products, extracted, or in the case of  
6 extractors for hire, equal to the gross income of the business,  
7 multiplied by the rate of 0.4235 percent from July 1, 2006, through  
8 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,  
9 2045.

10 (b) Until July 1, 2045, upon every person engaging within this  
11 state in the business of manufacturing or processing for hire: (i)  
12 Timber into timber products or wood products; (ii) timber products  
13 into other timber products or wood products; or (iii) products  
14 defined in RCW 19.27.570(1); as to such persons the amount of the tax  
15 with respect to the business is, in the case of manufacturers, equal  
16 to the value of products, including by-products, manufactured, or in  
17 the case of processors for hire, equal to the gross income of the  
18 business, multiplied by the rate of 0.4235 percent from July 1, 2006,  
19 through June 30, 2007, and 0.2904 percent from July 1, 2007, through  
20 June 30, 2045.

21 (c) Until July 1, 2045, upon every person engaging within this  
22 state in the business of selling at wholesale: (i) Timber extracted  
23 by that person; (ii) timber products manufactured by that person from  
24 timber or other timber products; (iii) wood products manufactured by  
25 that person from timber or timber products; or (iv) products defined  
26 in RCW 19.27.570(1) manufactured by that person(~~(+)~~) ; as to such  
27 persons the amount of the tax with respect to the business is equal  
28 to the gross proceeds of sales of the timber, timber products, wood  
29 products, or products defined in RCW 19.27.570(1) multiplied by the  
30 rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and  
31 0.2904 percent from July 1, 2007, through June 30, 2045.

32 (d) Until July 1, 2045, upon every person engaging within this  
33 state in the business of selling standing timber; as to such persons  
34 the amount of the tax with respect to the business is equal to the  
35 gross income of the business multiplied by the rate of 0.2904  
36 percent. For purposes of this subsection (12)(d), "selling standing  
37 timber" means the sale of timber apart from the land, where the buyer  
38 is required to sever the timber within thirty months from the date of  
39 the original contract, regardless of the method of payment for the

1 timber and whether title to the timber transfers before, upon, or  
2 after severance.

3 (e) For purposes of this subsection, the following definitions  
4 apply:

5 (i) "Biocomposite surface products" means surface material  
6 products containing, by weight or volume, more than fifty percent  
7 recycled paper and that also use nonpetroleum-based phenolic resin as  
8 a bonding agent.

9 (ii) "Paper and paper products" means products made of interwoven  
10 cellulosic fibers held together largely by hydrogen bonding. "Paper  
11 and paper products" includes newsprint; office, printing, fine, and  
12 pressure-sensitive papers; paper napkins, towels, and toilet tissue;  
13 kraft bag, construction, and other kraft industrial papers;  
14 paperboard, liquid packaging containers, containerboard, corrugated,  
15 and solid-fiber containers including linerboard and corrugated  
16 medium; and related types of cellulosic products containing  
17 primarily, by weight or volume, cellulosic materials. "Paper and  
18 paper products" does not include books, newspapers, magazines,  
19 periodicals, and other printed publications, advertising materials,  
20 calendars, and similar types of printed materials.

21 (iii) "Recycled paper" means paper and paper products having  
22 fifty percent or more of their fiber content that comes from  
23 postconsumer waste. For purposes of this subsection (12)(e)(iii),  
24 "postconsumer waste" means a finished material that would normally be  
25 disposed of as solid waste, having completed its life cycle as a  
26 consumer item.

27 (iv) "Timber" means forest trees, standing or down, on privately  
28 or publicly owned land. "Timber" does not include Christmas trees  
29 that are cultivated by agricultural methods or short-rotation  
30 hardwoods as defined in RCW 84.33.035.

31 (v) "Timber products" means:

32 (A) Logs, wood chips, sawdust, wood waste, and similar products  
33 obtained wholly from the processing of timber, short-rotation  
34 hardwoods as defined in RCW 84.33.035, or both;

35 (B) Pulp, including market pulp and pulp derived from recovered  
36 paper or paper products; and

37 (C) Recycled paper, but only when used in the manufacture of  
38 biocomposite surface products.

39 (vi) "Wood products" means paper and paper products; dimensional  
40 lumber; engineered wood products such as particleboard, oriented

1 strand board, medium density fiberboard, and plywood; wood doors;  
2 wood windows; and biocomposite surface products.

3 (f) Except for small harvesters as defined in RCW 84.33.035, a  
4 person reporting under the tax rate provided in this subsection (12)  
5 must file a complete annual tax performance report with the  
6 department under RCW 82.32.534.

7 (g) Nothing in this subsection (12) may be construed to affect  
8 the taxation of any activity defined as a retail sale in RCW  
9 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW  
10 82.04.060(2), or taxed under RCW 82.04.280(1)(g).

11 (13) Upon every person engaging within this state in inspecting,  
12 testing, labeling, and storing canned salmon owned by another person,  
13 as to such persons, the amount of tax with respect to such activities  
14 is equal to the gross income derived from such activities multiplied  
15 by the rate of 0.484 percent.

16 (14)(a) Upon every person engaging within this state in the  
17 business of printing a newspaper, publishing a newspaper, or both,  
18 the amount of tax on such business is equal to the gross income of  
19 the business multiplied by the rate of 0.35 percent until July 1,  
20 2024, and 0.484 percent thereafter.

21 (b) A person reporting under the tax rate provided in this  
22 subsection (14) must file a complete annual tax performance report  
23 with the department under RCW 82.32.534.

24 NEW SECTION. **Sec. 4.** A new section is added to chapter 51.04  
25 RCW to read as follows:

26 (1) A significant commercial airplane manufacturer receiving the  
27 rate of 0.357 percent under RCW 82.04.260(11)(e) is subject to an  
28 aerospace apprenticeship utilization rate of one and five-tenths  
29 percent of its qualified apprenticeable workforce in Washington by  
30 July 1, 2026, or five years after the effective date of the 0.357  
31 percent rate authorized under RCW 82.04.260(11)(e), whichever is  
32 later, as determined by the department of labor and industries.

33 (2) The aerospace industry in Washington, excluding a significant  
34 commercial airplane manufacturer, is subject to an aerospace  
35 apprenticeship utilization rate of one and five-tenths percent of its  
36 qualified apprenticeable workforce in Washington by July 1, 2026, or  
37 five years after the effective date of the 0.357 percent rate  
38 authorized under RCW 82.04.260(11)(e), whichever is later, as  
39 determined by the department of labor and industries.

1 (3) Aerospace employers must report relevant occupation data  
2 related to the qualified apprenticeable workforce to the department  
3 of labor and industries.

4 (4) The department of labor and industries shall report the  
5 aerospace apprenticeship utilization rate to the department and the  
6 appropriate committees of the legislature annually beginning October  
7 1, 2024.

8 (5) The department of labor and industries shall determine  
9 aerospace apprenticeship utilization rates under this section based  
10 on the framework developed under section 5 of this act and using  
11 occupational data reported to the department of labor and industries  
12 and/or the employment security department. For data reported to the  
13 department of labor and industries, the department of labor and  
14 industries shall determine the form and manner in which occupational  
15 data is reported, consistent with the framework developed under  
16 section 5 of this act, and may adopt rules to ensure full  
17 participation within the industry necessary to implement the  
18 requirements of this section. The department of labor and industries,  
19 consulting with the department of revenue, may also require  
20 additional information on the annual tax performance report under RCW  
21 82.32.534. The department of labor and industries may adopt rules to  
22 ensure full participation within the industry and necessary to  
23 implement the requirements of this section.

24 (6) For the purposes of this section, the following definitions  
25 apply.

26 (a) "Aerospace employer" means any person that qualifies for the  
27 rate under RCW 82.04.260(11)(e) with twenty-five or more employees in  
28 positions determined to be qualified occupations by the Washington  
29 state apprenticeship and training council according to chapter 49.04  
30 RCW directly applicable to the production of commercial aircraft.

31 (b) "Qualified apprenticeable workforce" means all occupations  
32 approved by the Washington state apprenticeship and training council  
33 according to chapter 49.04 RCW directly applicable to the production  
34 of commercial aircraft.

35 (c) "Significant commercial airplane manufacturer" means a  
36 manufacturer of commercial airplanes with at least fifty thousand  
37 full-time employees in Washington as of January 1, 2021.

38 NEW SECTION. **Sec. 5.** (1) An aerospace workforce council is  
39 created in the department of labor and industries to establish a

1 framework for apprenticeship utilization reporting and to establish  
2 efficient pathways to achieve targets required under section 4 of  
3 this act. Beginning in calendar year 2020, the council must:

4 (a) Meet at least twice per year until the apprenticeship  
5 utilization levels in section 4 of this act are achieved;

6 (b) Monitor the progress of a significant commercial airplane  
7 manufacturer, as defined in section 4 of this act, and the aerospace  
8 industry as a whole in achieving the apprenticeship utilization  
9 levels established in section 4 of this act;

10 (c) Report to the legislature by December 1, 2023, on the  
11 apprenticeship utilization rate across the aerospace industry and  
12 include any recommendations implementing the intent of this act,  
13 including policy changes needed to expand upon early success of  
14 apprenticeship utilization if reached before the date set forth in  
15 section 4 of this act.

16 (2) The council must consist of fourteen members, appointed by  
17 the governor:

18 (a) One member must be appointed from each of the two largest  
19 aerospace labor organizations in Washington;

20 (b) Two members must be from a Washington aerospace industry  
21 business, only one of which must be from a significant commercial  
22 airplane manufacturer;

23 (c) Two members must be from nonprofit entities engaged in  
24 workforce training for the aerospace industry;

25 (d) One representative from the governor's office;

26 (e) One representative from the workforce training and education  
27 coordinating board;

28 (f) The state trade representative or the representative's  
29 designee;

30 (g) The director of the department of labor and industries, or  
31 the director's designee;

32 (h) One member from each of the two largest caucuses of the house  
33 of representatives, as appointed by the speaker of the house of  
34 representatives; and

35 (i) One member from each of the two largest caucuses of the  
36 senate, as appointed by the president of the senate.

37 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
38 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes  
2 effect immediately.

--- **END** ---