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**SUBSTITUTE HOUSE BILL 2708**

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**State of Washington**

**54th Legislature**

**1996 Regular Session**

**By** House Committee on Finance (originally sponsored by Representatives Sheldon, Schoesler, Hatfield, Van Luven, B. Thomas, Silver, D. Schmidt, Cairnes, Cooke and Johnson)

Read first time 02/02/96.

1       AN ACT Relating to the impact of taxes on warehouse and  
2 distribution activity; and creating new sections.

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

4       NEW SECTION.   **Sec. 1.** The legislature finds that Washington's tax  
5 structure as it applies to warehouse and distribution activity is often  
6 cited as a deterrent to economic development.

7       NEW SECTION.   **Sec. 2.** The department of revenue shall perform a  
8 warehouse study, if at least fifty thousand dollars is provided towards  
9 the cost of the study from public or private sources other than the  
10 state. The study shall:

11       (1) Determine the current and potential impact of warehouse and  
12 distribution activity on the Washington economy;

13       (2) Identify the state of Washington's competitors for warehouse  
14 and distribution investment and evaluate the state's competitive  
15 status;

16       (3) Analyze how the current tax structure affects warehouse and  
17 distribution activity;

1 (4) Evaluate alternative methods of taxing warehouse and  
2 distribution activity;

3 (5) Identify the effects of tax incentives for warehouse and  
4 distribution activity; and

5 (6) Recommend to the legislature tax changes that might result in  
6 more equitable taxation of warehouse and distribution activity while  
7 preserving a stable source of revenue for funding public services in  
8 the future.

9 NEW SECTION. **Sec. 3.** (1) To perform this study, the department  
10 shall form an advisory study committee with representation from  
11 warehouse and distribution interests, commercial and industrial real  
12 estate, agricultural processing, and public ports. The advisory  
13 committee shall include, but need not be limited to, two members from  
14 the house of representatives, and two members from the senate. The  
15 advisory committee may also include representatives from other groups  
16 with an interest in freight movement, as well as tax policy experts  
17 from the academic, legal, and business communities.

18 (2) The department of revenue shall provide staff for the purpose  
19 of the study.

20 (3) The department of revenue shall present a final report of the  
21 findings of the study to the committees of the legislature that deal  
22 with revenue matters by December 31, 1996.

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