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HOUSE BILL 2708

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State of Washington

54th Legislature

1996 Regular Session

By Representatives Sheldon, Schoesler, Hatfield, Van Luven, B. Thomas, Silver, D. Schmidt, Cairnes, Cooke and Johnson

Read first time 01/17/96. Referred to Committee on Finance.

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 study to:

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

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

14 (3) Analyze how the current tax structure affects warehouse and  
15 distribution activity;

16 (4) Evaluate alternative methods of taxing warehouse and  
17 distribution activity;

1 (5) Identify the effects of tax incentives for warehouse and  
2 distribution activity; and

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

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

16 (2) The department of revenue shall provide staff for the purpose  
17 of the study.

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

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