**6690 AMS HASE S7647.1 - NOT FOR FLOOR USE**

**SB 6690** - S AMD **1366**

By Senator Hasegawa

**NOT ADOPTED 03/10/2020**

Beginning on page 1, line 6, strike all of section 1 and insert the following:

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

(1) Beginning on April 1, 2020, the tax rates in RCW 82.04.260(11) do not apply unless the following conditions are met:

(a) The United States and the European Union reach an agreement resolving their world trade organization disputes regarding large civil airplanes that expressly allows the tax rates in RCW 82.04.260(11);

(b) A taxpayer certifies in the manner and form prescribed by the department that the taxpayer meets all of the requirements of the agreement in (a) of this subsection that allows the tax rates in RCW 82.04.260(11);

(c) The department issues a determination that the conditions in (a) and (b) of this subsection have been met, in which case the tax rates in RCW 82.04.260(11) apply as of the date of the taxpayer's certification to the department; and

(d) A taxpayer with beneficiary savings in excess of eighty million dollars from the preferential rate under RCW 82.04.260(11) in calendar year 2018 must have employed at least fifty-one percent of its total workforce in the state of Washington in the prior calendar year.

(2) If the tax rates in RCW 82.04.260(11) are reinstated under subsection (1) of this section, a taxpayer with beneficiary savings in excess of eighty million dollars from the preferential rate under RCW 82.04.260(11) in calendar year 2018 must maintain at least fifty-one percent of its total workforce in the state of Washington. The department, in consultation with the employment security department and using data provided by the bureau of labor statistics, shall make this determination on an annual basis by March 1st of each year. If the fifty-one percent requirement is not met for the prior calendar year, the tax rates in RCW 82.04.260(11) do not apply beginning on the next subsequent July 1st for all taxpayers claiming the rates under RCW 82.04.260(11).

(3) The department must provide written notice of the determination and effective date to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department.

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

EFFECT: Requires the largest airplane manufacturer in Washington to maintain at least 51 percent of its total workforce in Washington in order to reinstate preferential B&O tax rates.