
SUBSTITUTE SENATE BILL 5972

State of Washington

59th Legislature

2005 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Zarelli, Rasmussen and Schmidt; by request of Department of Revenue)

READ FIRST TIME 03/08/05.

1 AN ACT Relating to the business and occupation tax credit for
2 property tax payments related to the manufacture of commercial
3 airplanes; amending RCW 82.04.4463; and providing an effective date.

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

5 **Sec. 1.** RCW 82.04.4463 and 2003 2nd sp.s. c 1 s 15 are each
6 amended to read as follows:

7 (1) In computing the tax imposed under this chapter, a credit is
8 allowed for property taxes paid during the calendar year.

9 (2) The credit is equal to:

10 (a)(i) Property taxes paid on new buildings, and land upon which
11 this property is located, built after December 1, 2003, and used
12 exclusively in manufacturing commercial airplanes or components of such
13 airplanes; or

14 (ii) Property taxes attributable to an increase in assessed value
15 due to the renovation or expansion, after December 1, 2003, of a
16 building used exclusively in manufacturing commercial airplanes or
17 components of such airplanes; and

18 (b) An amount equal to property taxes paid on machinery and
19 equipment exempt under RCW 82.08.02565 or 82.12.02565 (~~used in~~

1 ~~manufacturing commercial airplanes or components of such airplanes))~~
2 and acquired after December 1, 2003, multiplied by a fraction. The
3 numerator of the fraction is the total taxable amount subject to the
4 tax imposed under RCW 82.04.260(13) and the denominator of the fraction
5 is the total taxable amount subject to the tax imposed under all
6 manufacturing classifications in chapter 82.04 RCW, required to be
7 reported on the person's returns for the calendar year before the
8 calendar year in which the credit under this section is earned. No
9 credit is available under this subsection (2)(b) if either the
10 numerator or the denominator of the fraction is zero. If the fraction
11 is greater than or equal to nine-tenths, then the fraction is rounded
12 to one. For purposes of this subsection, "returns" means the combined
13 excise tax returns for the calendar year.

14 (3) For the purposes of this section, "commercial passenger
15 airplane" and "component" have the meanings given in RCW 82.32.550.

16 (4) A person taking the credit under this section is subject to all
17 the requirements of chapter 82.32 RCW. In addition, the person must
18 report as required under RCW 82.32.545. A credit earned during one
19 calendar year may be carried over to be credited against taxes incurred
20 in a subsequent calendar year, but may not be carried over a second
21 year. No refunds may be granted for credits under this section.

22 (5) In addition to all other requirements under this title, a
23 person taking the credit under this section must report as required
24 under RCW 82.32.545.

25 (6) This section expires July 1, 2024.

26 NEW SECTION. Sec. 2. This act takes effect January 1, 2006.

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