
SENATE BILL 6452

State of Washington

63rd Legislature

2014 Regular Session

By Senators Eide and Baumgartner

Read first time 01/27/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing a sales and use tax exemption for
2 certain new building construction by maintenance repair operators for
3 commercial airplanes; amending RCW 82.08.980, 82.08.980, 82.12.980, and
4 82.12.980; providing a contingent effective date; and providing
5 contingent expiration dates.

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

7 **Sec. 1.** RCW 82.08.980 and 2010 c 114 s 126 are each amended to
8 read as follows:

9 (1) The tax levied by RCW 82.08.020 does not apply to charges made
10 for labor and services rendered in respect to the constructing of new
11 buildings by: (a) A manufacturer engaged in the manufacturing of
12 superefficient airplanes (~~or by~~); (b) a port district, to be leased
13 to a manufacturer engaged in the manufacturing of superefficient
14 airplanes; or (c) a maintenance repair operator engaged in the
15 maintenance of commercial airplanes or the fuselages or wings of
16 commercial airplanes, to sales of tangible personal property that will
17 be incorporated as an ingredient or component of such buildings during
18 the course of the constructing, or to labor and services rendered in
19 respect to installing, during the course of constructing, building

1 fixtures not otherwise eligible for the exemption under RCW
2 82.08.02565(2)(b). The exemption is available only when the buyer
3 provides the seller with an exemption certificate in a form and manner
4 prescribed by the department. The seller must retain a copy of the
5 certificate for the seller's files. For the purposes of this
6 subsection (1), "maintenance repair operator" means a repair station
7 under 14 C.F.R. Part 145 and "commercial airplane" has the same meaning
8 as provided in RCW 82.32.550.

9 (2) No application is necessary for the tax exemption in this
10 section, however in order to qualify under this section before starting
11 construction the port district must have entered into an agreement with
12 the manufacturer to build such a facility. A person claiming the
13 exemption under this section is subject to all the requirements of
14 chapter 82.32 RCW. In addition, the person must file a complete annual
15 report with the department under RCW 82.32.534.

16 (3) The exemption in this section applies to buildings, or parts of
17 buildings, that are used exclusively in the manufacturing of
18 superefficient airplanes, including buildings used for the storage of
19 raw materials and finished product.

20 (4) For the purposes of this section, "superefficient airplane" has
21 the meaning given in RCW 82.32.550.

22 (5) This section expires July 1, 2024.

23 **Sec. 2.** RCW 82.08.980 and 2013 3rd sp.s. c 2 s 3 are each amended
24 to read as follows:

25 (1) The tax levied by RCW 82.08.020 does not apply to:

26 (a) Charges, for labor and services rendered in respect to the
27 constructing of new buildings, made to (i) a manufacturer or
28 maintenance repair operator engaged in the manufacturing or maintaining
29 of commercial airplanes or the fuselages or wings of commercial
30 airplanes or (ii) a port district, political subdivision, or municipal
31 corporation, to be leased to a manufacturer engaged in the
32 manufacturing of commercial airplanes or the fuselages or wings of
33 commercial airplanes. For the purposes of this subsection (1)(a),
34 "maintenance repair operator" means a repair station under 14 C.F.R.
35 Part 145;

36 (b) Sales of tangible personal property that will be incorporated

1 as an ingredient or component of such buildings during the course of
2 the constructing; or

3 (c) Charges made for labor and services rendered in respect to
4 installing, during the course of constructing such buildings, building
5 fixtures not otherwise eligible for the exemption under RCW
6 82.08.02565(2)(b).

7 (2) The exemption is available only when the buyer provides the
8 seller with an exemption certificate in a form and manner prescribed by
9 the department. The seller must retain a copy of the certificate for
10 the seller's files.

11 (3) No application is necessary for the tax exemption in this
12 section. However, in order to qualify under this section before
13 starting construction, the port district, political subdivision, or
14 municipal corporation must have entered into an agreement with the
15 manufacturer to build such a facility. A person claiming the exemption
16 under this section is subject to all the requirements of chapter 82.32
17 RCW. In addition, the person must file a complete annual report with
18 the department under RCW 82.32.534.

19 (4) The exemption in this section applies to buildings or parts of
20 buildings, including buildings or parts of buildings used for the
21 storage of raw materials or finished product, that are used primarily
22 in the manufacturing of any one or more of the following products:

23 (a) Commercial airplanes;

24 (b) Fuselages of commercial airplanes; or

25 (c) Wings of commercial airplanes.

26 (5) For the purposes of this section, "commercial airplane" has the
27 meaning given in RCW 82.32.550.

28 (6) This section expires July 1, 2040.

29 **Sec. 3.** RCW 82.12.980 and 2010 c 114 s 132 are each amended to
30 read as follows:

31 (1) The provisions of this chapter do not apply with respect to the
32 use of tangible personal property that will be incorporated as an
33 ingredient or component of new buildings: (a) By a manufacturer
34 engaged in the manufacturing of superefficient airplanes (~~or~~); (b)
35 owned by a port district and to be leased to a manufacturer engaged in
36 the manufacturing of superefficient airplanes; or (c) by a maintenance
37 repair operator engaged in the maintenance of commercial airplanes or

1 the fuselages of commercial airplanes, during the course of
2 constructing such buildings, or to labor and services rendered in
3 respect to installing, during the course of constructing, building
4 fixtures not otherwise eligible for the exemption under RCW
5 82.08.02565(2)(b).

6 (2) The eligibility requirements, conditions, and definitions in
7 RCW 82.08.980 apply to this section, including the filing of a complete
8 annual report with the department under RCW 82.32.534.

9 (3) This section expires July 1, 2024.

10 **Sec. 4.** RCW 82.12.980 and 2013 3rd sp.s. c 2 s 4 are each amended
11 to read as follows:

12 (1) The provisions of this chapter do not apply with respect to the
13 use of:

14 (a) Tangible personal property that will be incorporated as an
15 ingredient or component in constructing new buildings for (i) a
16 manufacturer or maintenance repair operator engaged in the
17 manufacturing or maintaining of commercial airplanes or the fuselages
18 or wings of commercial airplanes or (ii) a port district, political
19 subdivision, or municipal corporation, to be leased to a manufacturer
20 engaged in the manufacturing of commercial airplanes or the fuselages
21 or wings of commercial airplanes; or

22 (b) Labor and services rendered in respect to installing, during
23 the course of constructing such buildings, building fixtures not
24 otherwise eligible for the exemption under RCW 82.08.02565(2)(b).

25 (2) The eligibility requirements, conditions, and definitions in
26 RCW 82.08.980 apply to this section, including the filing of a complete
27 annual report with the department under RCW 82.32.534.

28 (3) This section expires July 1, 2040.

29 NEW SECTION. **Sec. 5.** Sections 1 and 3 of this act expire July 1,
30 2024, subject to the contingency stated in section 2, chapter 2, Laws
31 of 2013 3rd sp. sess.

32 NEW SECTION. **Sec. 6.** Sections 2 and 4 of this act take effect
33 subject to the contingency stated in section 2, chapter 2, Laws of 2013
34 3rd sp. sess.

1 NEW SECTION. **Sec. 7.** Sections 2 and 4 of this act expire July 1,
2 2040, subject to the contingency stated in section 2, chapter 2, Laws
3 of 2013 3rd sp. sess.

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