

HOUSE BILL 2992

State of Washington

64th Legislature

2016 Regular Session

By Representatives Frame, Farrell, Riccelli, Bergquist, Robinson, Pollet, Gregerson, Ryu, Jenkins, Reykdal, Tharinger, Kuderer, Moscoso, Cody, Fey, Sells, Appleton, Ortiz-Self, Wylie, S. Hunt, Van De Wege, McBride, Moeller, Tarleton, Senn, Walkinshaw, Kagi, Santos, Kirby, Ormsby, and Peterson

1 AN ACT Relating to improving fairness in the Washington tax
2 system by narrowing the sales and use tax exemption for the purchase
3 and repair of large private airplanes owned by nonresident entities;
4 amending RCW 82.08.215; adding a new section to chapter 82.32 RCW;
5 adding a new section to chapter 43.135 RCW; and providing an
6 expiration date.

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

8 **Sec. 1.** RCW 82.08.215 and 2013 2nd sp.s. c 13 s 1103 are each
9 amended to read as follows:

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

11 (i) Sales of large private airplanes to nonresident(~~s of this~~
12 ~~state~~) individuals; and

13 (ii) Sales of or charges made for labor and services rendered in
14 respect to repairing, cleaning, altering, or improving large private
15 airplanes owned by nonresident(~~s of this state~~) individuals.

16 (b) The exemption provided by this section applies only when the
17 large private airplane is not required to be registered with the
18 department of transportation, or its successor, under chapter 47.68
19 RCW. The airplane owner or lessee claiming an exemption under this
20 section must provide the department, upon request, a copy of the
21 written statement required under RCW 47.68.250(5)(c)(ii) documenting

1 the airplane's registration exemption and any additional information
2 the department may require.

3 (2) Sellers making tax-exempt sales under this section must
4 obtain an exemption certificate from the buyer in a form and manner
5 prescribed by the department. The seller must retain a copy of the
6 exemption certificate for the seller's files. In lieu of an exemption
7 certificate, a seller may capture the relevant data elements as
8 allowed under the streamlined sales and use tax agreement. For
9 sellers who electronically file their taxes, the department must
10 provide a separate tax reporting line for exemption amounts claimed
11 under this section.

12 (3) Upon request, the department of transportation must provide
13 to the department of revenue information needed by the department of
14 revenue to verify eligibility under this section.

15 (4) For purposes of this section "large private airplane" means
16 an airplane not used in interstate commerce, not owned or leased by a
17 government entity, weighing more than forty-one thousand pounds, and
18 assigned a category A, B, C, or D test flow management system
19 aircraft weight class by the federal aviation administration's office
20 of aviation policy and plans.

21 (5) This section expires July 1, 2021.

22 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.32
23 RCW to read as follows:

24 (1) By the last workday of the second and fourth calendar
25 quarters, the state treasurer must transfer the amount specified in
26 subsection (2) of this section from the general fund to the education
27 legacy trust account. The first transfer under this subsection (1)
28 must occur by December 31, 2016.

29 (2) By December 15th and by June 15th of each year, the
30 department must estimate the increase in state general fund revenues
31 from the changes made under section 1 of this act for the current and
32 prior calendar quarters and notify the state treasurer of the
33 increase.

34 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.135
35 RCW to read as follows:

1 RCW 43.135.034(4) does not apply to the transfers under section 2
2 of this act.

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