S-4109.5

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**SENATE BILL 6577**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senators Honeyford, Chase, King, Takko, Wellman, and Warnick

AN ACT Relating to creating tax incentives for mushroom farming; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating a new section; providing expiration dates; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preferences in this act. This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes these tax preferences as ones intended to improve industry competitiveness and to create or retain jobs, as indicated in RCW 82.32.808(2) (b) and (c).

(3) It is the legislature's specific public policy objective to maintain and grow Washington's agricultural workforce. It is the legislature's intent to create in this act tax exemptions for mushroom farming buildings or facilities in order to increase employment in mushroom farming, thereby helping the state's agricultural sector to maintain and grow its workforce.

(4) If a review finds that the average employment in mushroom farming in the state has increased as of January 1, 2027, compared to the average employment in mushroom farming on the effective date of this section, then the legislature intends to extend the expiration date of these tax preferences. The review required under this subsection must be completed in calendar year 2027.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to occupational data statistics available from the United States bureau of labor statistics and from state agencies responsible for administering unemployment insurance.

NEW SECTION. **Sec.**  A new section is added to chapter 82.08 RCW to read as follows:

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

(a) Charges for labor and services rendered with respect to the constructing of new buildings or facilities made for the exclusive purposes of mushroom farming;

(b) Sales of tangible personal property, including but not limited to, construction materials, machinery, and equipment, that will be incorporated as an ingredient or component of such buildings or facilities during the course of the constructing; or

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

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

(3) No application is necessary for the tax exemption in this section. A person must file a complete annual tax performance report with the department under RCW 82.32.534.

(4) This section expires January 1, 2029.

NEW SECTION. **Sec.**  A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions in this chapter do not apply to:

(a) Charges for labor and services rendered with respect to the constructing of new buildings or facilities made for the exclusive purposes of mushroom farming;

(b) Sales of tangible personal property, including but not limited to, construction materials, machinery, and equipment, that will be incorporated as an ingredient or component of such buildings or facilities during the course of the constructing; or

(c) Charges made for labor and services rendered in respect to installing, during the course of constructing such buildings, building fixtures not otherwise eligible for the exemption under RCW 82.12.025661.

(2) This section expires January 1, 2029.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**