
HOUSE BILL 1924

State of Washington

69th Legislature

2025 Regular Session

By Representatives Fey, Stuebe, Zahn, and Shavers

Read first time 02/10/25. Referred to Committee on Finance.

1 AN ACT Relating to providing a sales and use tax exemption for
2 manufacturing facilities and green manufacturing facilities; adding a
3 new section to chapter 82.08 RCW; adding a new section to chapter
4 82.12 RCW; and providing expiration dates.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08
7 RCW to read as follows:

8 (1)(a) An exemption from the tax imposed by RCW 82.08.020 is
9 provided for the sales of construction materials and equipment, and
10 to charges made for labor and services rendered, to manufacturing
11 facilities and green manufacturing facilities.

12 (b) No new exemption certificates may be issued on or after July
13 1, 2035.

14 (c) The exemptions provided in this section expire January 1,
15 2036.

16 (2)(a) In order to obtain an exemption certificate under this
17 section, a manufacturing facility or green manufacturing facility
18 must submit an application to the department for an exemption
19 certificate. The application must include the information necessary,
20 as required by the department, to determine that the facility
21 qualifies for the exemption under this section.

1 (b) A manufacturing facility or green manufacturing facility
2 claiming the exemption under this section must present the seller
3 with an exemption certificate in a form and manner prescribed by the
4 department. The seller must retain a copy of the certificate for the
5 seller's files.

6 (c) The exemption certificate is effective on the date the
7 application is received by the department, which is the date of
8 issuance. Only purchases on or after the date of issuance qualify for
9 the exemption under this section. No tax refunds are authorized for
10 purchases made before the effective date of the exemption
11 certificate.

12 (d) Exemption certificates expire two years after the date of
13 issuance, unless construction has been commenced.

14 (3) Manufacturing facilities and green manufacturing facilities
15 claiming an exemption under this section must complete an annual tax
16 performance report with the department as required under
17 RCW 82.32.534.

18 (4) The certificate holder may not at any time assign or transfer
19 a certificate without the prior written consent of the department.
20 The department must allow certificate transfers if the certificate
21 holder meets the following requirements:

22 (a) The certificate assignee or transferee is qualified to do
23 business in the state;

24 (b) The assignee or transferee acknowledges the transfer of the
25 certificate in writing;

26 (c) The assignee or transferee agrees to keep and perform all the
27 terms of the certificates; and

28 (d) An assignment or transfer of the certificate is to an entity
29 that:

30 (i) Controls, is controlled by, or under common control with, the
31 certificate holder;

32 (ii) Acquires all or substantially all of the stock or assets of
33 the certificate holder; or

34 (iii) Is the resulting entity of a merger or consolidation with
35 the certificate holder.

36 (5) The definitions in this subsection apply throughout this
37 section unless the context clearly requires otherwise.

38 (a) "Green manufacturing facility" means a manufacturing facility
39 that has been certified by a state or nationally recognized

1 organization that rates the sustainability of the manufacturing
2 process.

3 (b) "Manufacturing facility" means a facility that is used to
4 manufacture, as defined in RCW 82.04.120.

5 (6) This section expires January 1, 2037.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12
7 RCW to read as follows:

8 (1) An exemption from the tax imposed by RCW 82.12.020 is
9 provided for the use by a manufacturing facility or green
10 manufacturing facility of construction equipment and materials and to
11 the use of labor and services rendered in respect to installing the
12 construction equipment and materials.

13 (2) The exemption provided in this section does not apply to any
14 person for whom the exemption under section 1 of this act does not
15 apply.

16 (3) A manufacturing facility or green manufacturing facility
17 claiming an exemption under this section must complete an annual tax
18 performance report as required in RCW 82.32.534. The report must
19 identify construction firm names and employment levels used for
20 constructing, renovating, refurbishing, or remodeling the
21 manufacturing facility or green manufacturing facility.

22 (4) The definitions and requirements in section 1 of this
23 act apply to this section.

24 (5) This section expires January 1, 2037.

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