

2 **SSB 5359** - H COMM AMD **ADOPTED 4-15-97**  
3 By Committee on Finance

4

5 Strike everything after the enacting clause and insert the  
6 following:

7 **"Sec. 1.** RCW 82.08.02566 and 1996 c 247 s 4 are each amended to  
8 read as follows:

9 (1) The tax levied by RCW 82.08.020 shall not apply to sales of  
10 ((materials used in designing and developing aircraft parts, auxiliary  
11 equipment, and aircraft modification whether from enterprise funds or  
12 on a contract or fee basis for a taxpayer with gross sales of less than  
13 twenty million dollars per year. This exemption may not exceed one  
14 hundred thousand dollars for a taxpayer in a year)) tangible personal  
15 property incorporated into a prototype for aircraft parts, auxiliary  
16 equipment, or modifications; or to sales of tangible personal property  
17 that at one time is incorporated into the prototype but is later  
18 destroyed in the testing or development of the prototype.

19 (2) This exemption does not apply to sales to any person whose  
20 total taxable amount during the immediately preceding calendar year  
21 exceeds twenty million dollars. For purposes of this section, "total  
22 taxable amount" means gross income of the business and value of  
23 products manufactured, less any amounts for which a credit is allowed  
24 under RCW 82.04.440.

25 (3) State and local taxes for which an exemption is received under  
26 this section and RCW 82.12.02566 shall not exceed one hundred thousand  
27 dollars for any person during any calendar year.

28 **Sec. 2.** RCW 82.12.02566 and 1996 c 247 s 5 are each amended to  
29 read as follows:

30 (1) The provisions of this chapter shall not apply with respect to  
31 the use of ((materials used in designing and developing aircraft parts,  
32 auxiliary equipment, and aircraft modification whether from enterprise  
33 funds or on a contract or fee basis for a taxpayer with gross sales of  
34 less than twenty million dollars per year. This exemption may not  
35 exceed one hundred thousand dollars for a taxpayer in a year)) tangible

1 personal property incorporated into a prototype for aircraft parts,  
2 auxiliary equipment, or modifications; or in respect to the use of  
3 tangible personal property that at one time is incorporated into the  
4 prototype but is later destroyed in the testing or development of the  
5 prototype.

6 (2) This exemption does not apply in respect to the use of tangible  
7 personal property by any person whose total taxable amount during the  
8 immediately preceding calendar year exceeds twenty million dollars.  
9 For purposes of this section, "total taxable amount" means gross income  
10 of the business and value of products manufactured, less any amounts  
11 for which a credit is allowed under RCW 82.04.440.

12 (3) State and local taxes for which an exemption is received under  
13 this section and RCW 82.08.02566 shall not exceed one hundred thousand  
14 dollars for any person during any calendar year.

15 NEW SECTION. Sec. 3. This act is necessary for the immediate  
16 preservation of the public peace, health, or safety, or support of the  
17 state government and its existing public institutions, and takes effect  
18 July 1, 1997."

19 Correct the title accordingly.

--- END ---