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**SUBSTITUTE SENATE BILL 5071**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Reardon, Schmidt, Shin, Stevens and Rasmussen)

READ FIRST TIME 04/07/03.

1       AN ACT Relating to a business and occupation tax rate on certain  
2 FAR part 145 certificated repair stations; reenacting and amending RCW  
3 82.04.250; adding a new section to chapter 82.32 RCW; providing an  
4 effective date; and providing an expiration date.

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

6       **Sec. 1.** RCW 82.04.250 and 1998 c 343 s 5 and 1998 c 312 s 4 are  
7 each reenacted and amended to read as follows:

8       (1) Upon every person except persons taxable under RCW  
9 82.04.260(5), 82.04.272, or subsection (2) or (3) of this section  
10 engaging within this state in the business of making sales at retail,  
11 as to such persons, the amount of tax with respect to such business  
12 shall be equal to the gross proceeds of sales of the business,  
13 multiplied by the rate of 0.471 percent.

14       (2) Upon every person engaging within this state in the business of  
15 making sales at retail that are exempt from the tax imposed under  
16 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or  
17 82.08.0263 except as provided in subsection (3) of this section, as to  
18 such persons, the amount of tax with respect to such business shall be

1 equal to the gross proceeds of sales of the business, multiplied by the  
2 rate of 0.484 percent.

3 (3) Upon every person engaging within this state in the business  
4 of making sales at retail that are exempt from the tax imposed under  
5 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or  
6 82.08.0263, that is classified by the federal aviation administration  
7 as a FAR part 145 certificated repair station with an airframe class 4  
8 rating and limited capabilities in instruments, radio equipment, and  
9 specialized services, as to such persons, the amount of tax with  
10 respect to such business shall be equal to the gross proceeds of sales  
11 of the business, multiplied by the rate of .275 percent.

12 NEW SECTION. Sec. 2. A new section is added to chapter 82.32 RCW  
13 to read as follows:

14 (1) A person reporting tax under RCW 82.04.250(3) shall file a  
15 report to the department of revenue in the month following each  
16 calendar quarter containing the following information:

17 (a) Number of production workers;

18 (b) Average wage of production workers;

19 (c) Total wages for production workers;

20 (d) Total sales as measured by taxable receipts for activities  
21 reported under RCW 82.04.250(3); and

22 (e) Total wages for production workers as a percent of total sales  
23 reported under RCW 82.04.250(3).

24 (2) A recipient who fails to submit a complete report under this  
25 section is ineligible on a prospective basis for the rate provided in  
26 RCW 82.04.250(3). The department of revenue shall notify the recipient  
27 in writing by mail that he or she is no longer eligible for the rate.  
28 The recipient is ineligible on the effective date of the postmark of  
29 the notice letter from the department of revenue. If the recipient  
30 satisfactorily completes the report, the department of revenue shall  
31 send a letter to the recipient indicating that the basis for the  
32 ineligibility has been corrected. The letter from the department of  
33 revenue is proof that eligibility has been restored, and eligibility is  
34 effective prospectively beginning on the date the letter is postmarked.

1        NEW SECTION.    **Sec. 3.**    This act expires July 1, 2006.

2        NEW SECTION.    **Sec. 4.**    This act takes effect August 1, 2003.

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