

SENATE BILL REPORT

SB 5351

As of March 4, 2005

Title: An act relating to the business and occupation taxation of the restoration, reproduction, and sale of airplanes of historical significance.

Brief Description: Exempting the sale of airplanes of historical significance from business and occupation tax.

Sponsors: Senators Berkey, Schmidt, Shin, Haugen and Fairley.

Brief History:

Committee Activity: Ways & Means: 3/4/05.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. There are several different B&O tax rates. The rate for manufacturing activities is 0.484 percent. Manufacturing tax applies to the value of products manufactured in Washington.

Summary of Bill: A B&O tax exemption is provided for a manufacturer of a reproduced airplane of historical significance.

"Airplane of historical significance" is defined as an airplane which is at least fifty years old of a type or model of which there are fewer than ten in number known to exist worldwide.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.