
HOUSE BILL 2994

State of Washington**64th Legislature****2016 Regular Session**

By Representatives Robinson, Walkinshaw, Gregerson, Farrell, Jinkins, Frame, Riccelli, Tharinger, Moscoso, Kuderer, Cody, Bergquist, Pollet, Sells, Stanford, Appleton, Ryu, Reykdal, Ortiz-Self, Hudgins, Wylie, S. Hunt, Van De Wege, Moeller, Tarleton, Santos, Kirby, Ormsby, and Peterson

1 AN ACT Relating to providing accountability and transparency for
2 aerospace-related tax incentives; amending RCW 82.04.4461; amending
3 2013 3rd sp.s. c 2 s 1 (uncodified); reenacting and amending RCW
4 82.04.260; adding a new section to chapter 82.04 RCW; creating a new
5 section; and providing an effective date.

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

7 **Sec. 1.** 2013 3rd sp.s. c 2 s 1 (uncodified) is amended to read
8 as follows:

9 (1) The legislature finds that the people of Washington have
10 benefited enormously from the presence of the aerospace industry in
11 Washington state. The legislature further finds that the industry
12 continues to provide good wages and benefits for the thousands of
13 engineers, mechanics, and support staff working directly in the
14 industry throughout the state. The legislature further finds that
15 suppliers and vendors that support the aerospace industry in turn
16 provide a range of well-paying jobs. In 2003, and again in 2006, and
17 2007, the legislature determined it was in the public interest to
18 encourage the continued presence of the aerospace industry through
19 the provision of tax incentives. To this end, and in recognition of
20 the continuing extreme importance of the aerospace industry in
21 Washington, it is the legislature's intent to reaffirm and build upon

1 prior aerospace tax incentive legislation in a fiscally prudent
2 manner.

3 (2) The legislature categorizes the tax preferences extended in
4 this act as intended to create or retain jobs, as indicated in RCW
5 82.32.808(2)(c).

6 (3) It is the legislature's specific public policy objective to
7 maintain and grow Washington's aerospace industry workforce to one
8 hundred thousand five hundred employment positions by 2040. To help
9 achieve this public policy objective, it is the legislature's intent
10 to conditionally extend aerospace industry tax preferences until July
11 1, 2040, in recognition of intent by the state's aerospace industry
12 sector to maintain and grow its workforce within the state. It is
13 also the legislature's specific public policy objective to provide
14 tangible taxpayer accountability for Washington's largest aerospace
15 company by adopting a minimum employment baseline that must be met by
16 the company to fully qualify for aerospace tax incentives, similar to
17 aerospace job standards created in other states such as Alabama,
18 South Carolina, and Missouri.

19 (4) The joint legislative audit and review committee must review
20 the tax preferences provided in this act and report to the
21 legislature by December 1, 2019, and every five years thereafter. As
22 part of its tax preference reviews, the committee must specifically
23 assess changes in aerospace industry employment in Washington in
24 comparison with other states and internationally, assess whether
25 aerospace industry employment within Washington is on target to reach
26 an employment level of one hundred thousand five hundred by 2040, and
27 assess growth in high-wage employment, as defined by an annual or
28 hourly wage equal or greater than the state median wage. To the
29 extent practicable, the committee must use occupational data
30 statistics provided by the bureau of labor statistics and state
31 agencies responsible for administering unemployment insurance to
32 perform this assessment.

33 **Sec. 2.** RCW 82.04.260 and 2015 3rd sp.s. c 6 s 602 and 2015 3rd
34 sp.s. c 6 s 205 are each reenacted and amended to read as follows:

35 (1) Upon every person engaging within this state in the business
36 of manufacturing:

37 (a) Wheat into flour, barley into pearl barley, soybeans into
38 soybean oil, canola into canola oil, canola meal, or canola by-
39 products, or sunflower seeds into sunflower oil; as to such persons

1 the amount of tax with respect to such business is equal to the value
2 of the flour, pearl barley, oil, canola meal, or canola by-product
3 manufactured, multiplied by the rate of 0.138 percent;

4 (b) Beginning July 1, 2025, seafood products that remain in a
5 raw, raw frozen, or raw salted state at the completion of the
6 manufacturing by that person; or selling manufactured seafood
7 products that remain in a raw, raw frozen, or raw salted state at the
8 completion of the manufacturing, to purchasers who transport in the
9 ordinary course of business the goods out of this state; as to such
10 persons the amount of tax with respect to such business is equal to
11 the value of the products manufactured or the gross proceeds derived
12 from such sales, multiplied by the rate of 0.138 percent. Sellers
13 must keep and preserve records for the period required by RCW
14 82.32.070 establishing that the goods were transported by the
15 purchaser in the ordinary course of business out of this state;

16 (c)(i) Beginning July 1, 2025, dairy products; or selling dairy
17 products that the person has manufactured to purchasers who either
18 transport in the ordinary course of business the goods out of state
19 or purchasers who use such dairy products as an ingredient or
20 component in the manufacturing of a dairy product; as to such persons
21 the tax imposed is equal to the value of the products manufactured or
22 the gross proceeds derived from such sales multiplied by the rate of
23 0.138 percent. Sellers must keep and preserve records for the period
24 required by RCW 82.32.070 establishing that the goods were
25 transported by the purchaser in the ordinary course of business out
26 of this state or sold to a manufacturer for use as an ingredient or
27 component in the manufacturing of a dairy product.

28 (ii) For the purposes of this subsection (1)(c), "dairy products"
29 means:

30 (A) Products, not including any marijuana-infused product, that
31 as of September 20, 2001, are identified in 21 C.F.R., chapter 1,
32 parts 131, 133, and 135, including by-products from the manufacturing
33 of the dairy products, such as whey and casein; and

34 (B) Products comprised of not less than seventy percent dairy
35 products that qualify under (c)(ii)(A) of this subsection, measured
36 by weight or volume.

37 (iii) The preferential tax rate provided to taxpayers under this
38 subsection (1)(c) does not apply to sales of dairy products on or
39 after July 1, 2023, where a dairy product is used by the purchaser as

1 an ingredient or component in the manufacturing in Washington of a
2 dairy product;

3 (d)(i) Beginning July 1, 2025, fruits or vegetables by canning,
4 preserving, freezing, processing, or dehydrating fresh fruits or
5 vegetables, or selling at wholesale fruits or vegetables manufactured
6 by the seller by canning, preserving, freezing, processing, or
7 dehydrating fresh fruits or vegetables and sold to purchasers who
8 transport in the ordinary course of business the goods out of this
9 state; as to such persons the amount of tax with respect to such
10 business is equal to the value of the products manufactured or the
11 gross proceeds derived from such sales multiplied by the rate of
12 0.138 percent. Sellers must keep and preserve records for the period
13 required by RCW 82.32.070 establishing that the goods were
14 transported by the purchaser in the ordinary course of business out
15 of this state.

16 (ii) For purposes of this subsection (1)(d), "fruits" and
17 "vegetables" do not include marijuana, useable marijuana, or
18 marijuana-infused products;

19 (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or
20 biodiesel feedstock, as those terms are defined in RCW 82.29A.135; as
21 to such persons the amount of tax with respect to the business is
22 equal to the value of alcohol fuel, biodiesel fuel, or biodiesel
23 feedstock manufactured, multiplied by the rate of 0.138 percent; and

24 (f) Wood biomass fuel as defined in RCW 82.29A.135; as to such
25 persons the amount of tax with respect to the business is equal to
26 the value of wood biomass fuel manufactured, multiplied by the rate
27 of 0.138 percent.

28 (2) Upon every person engaging within this state in the business
29 of splitting or processing dried peas; as to such persons the amount
30 of tax with respect to such business is equal to the value of the
31 peas split or processed, multiplied by the rate of 0.138 percent.

32 (3) Upon every nonprofit corporation and nonprofit association
33 engaging within this state in research and development, as to such
34 corporations and associations, the amount of tax with respect to such
35 activities is equal to the gross income derived from such activities
36 multiplied by the rate of 0.484 percent.

37 (4) Upon every person engaging within this state in the business
38 of slaughtering, breaking and/or processing perishable meat products
39 and/or selling the same at wholesale only and not at retail; as to

1 such persons the tax imposed is equal to the gross proceeds derived
2 from such sales multiplied by the rate of 0.138 percent.

3 (5) Upon every person engaging within this state in the business
4 of acting as a travel agent or tour operator; as to such persons the
5 amount of the tax with respect to such activities is equal to the
6 gross income derived from such activities multiplied by the rate of
7 0.275 percent.

8 (6) Upon every person engaging within this state in business as
9 an international steamship agent, international customs house broker,
10 international freight forwarder, vessel and/or cargo charter broker
11 in foreign commerce, and/or international air cargo agent; as to such
12 persons the amount of the tax with respect to only international
13 activities is equal to the gross income derived from such activities
14 multiplied by the rate of 0.275 percent.

15 (7) Upon every person engaging within this state in the business
16 of stevedoring and associated activities pertinent to the movement of
17 goods and commodities in waterborne interstate or foreign commerce;
18 as to such persons the amount of tax with respect to such business is
19 equal to the gross proceeds derived from such activities multiplied
20 by the rate of 0.275 percent. Persons subject to taxation under this
21 subsection are exempt from payment of taxes imposed by chapter 82.16
22 RCW for that portion of their business subject to taxation under this
23 subsection. Stevedoring and associated activities pertinent to the
24 conduct of goods and commodities in waterborne interstate or foreign
25 commerce are defined as all activities of a labor, service or
26 transportation nature whereby cargo may be loaded or unloaded to or
27 from vessels or barges, passing over, onto or under a wharf, pier, or
28 similar structure; cargo may be moved to a warehouse or similar
29 holding or storage yard or area to await further movement in import
30 or export or may move to a consolidation freight station and be
31 stuffed, unstuffed, containerized, separated or otherwise segregated
32 or aggregated for delivery or loaded on any mode of transportation
33 for delivery to its consignee. Specific activities included in this
34 definition are: Wharfage, handling, loading, unloading, moving of
35 cargo to a convenient place of delivery to the consignee or a
36 convenient place for further movement to export mode; documentation
37 services in connection with the receipt, delivery, checking, care,
38 custody and control of cargo required in the transfer of cargo;
39 imported automobile handling prior to delivery to consignee; terminal
40 stevedoring and incidental vessel services, including but not limited

1 to plugging and unplugging refrigerator service to containers,
2 trailers, and other refrigerated cargo receptacles, and securing ship
3 hatch covers.

4 (8) Upon every person engaging within this state in the business
5 of disposing of low-level waste, as defined in RCW 43.145.010; as to
6 such persons the amount of the tax with respect to such business is
7 equal to the gross income of the business, excluding any fees imposed
8 under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

9 If the gross income of the taxpayer is attributable to activities
10 both within and without this state, the gross income attributable to
11 this state must be determined in accordance with the methods of
12 apportionment required under RCW 82.04.460.

13 (9) Upon every person engaging within this state as an insurance
14 producer or title insurance agent licensed under chapter 48.17 RCW or
15 a surplus line broker licensed under chapter 48.15 RCW; as to such
16 persons, the amount of the tax with respect to such licensed
17 activities is equal to the gross income of such business multiplied
18 by the rate of 0.484 percent.

19 (10) Upon every person engaging within this state in business as
20 a hospital, as defined in chapter 70.41 RCW, that is operated as a
21 nonprofit corporation or by the state or any of its political
22 subdivisions, as to such persons, the amount of tax with respect to
23 such activities is equal to the gross income of the business
24 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5
25 percent thereafter.

26 (11)(a) Beginning October 1, 2005, upon every person engaging
27 within this state in the business of manufacturing commercial
28 airplanes, or components of such airplanes, or making sales, at
29 retail or wholesale, of commercial airplanes or components of such
30 airplanes, manufactured by the seller, as to such persons the amount
31 of tax with respect to such business is, in the case of
32 manufacturers, equal to the value of the product manufactured and the
33 gross proceeds of sales of the product manufactured, or in the case
34 of processors for hire, equal to the gross income of the business,
35 multiplied by the rate of:

36 (i) 0.4235 percent from October 1, 2005, through June 30, 2007;
37 and

38 (ii) Except as provided in (f) of this subsection (11), 0.2904
39 percent beginning July 1, 2007.

1 (b) Beginning July 1, 2008, upon every person who is not eligible
2 to report under the provisions of (a) of this subsection (11) and is
3 engaging within this state in the business of manufacturing tooling
4 specifically designed for use in manufacturing commercial airplanes
5 or components of such airplanes, or making sales, at retail or
6 wholesale, of such tooling manufactured by the seller, as to such
7 persons the amount of tax with respect to such business is, in the
8 case of manufacturers, equal to the value of the product manufactured
9 and the gross proceeds of sales of the product manufactured, or in
10 the case of processors for hire, be equal to the gross income of the
11 business, multiplied by the rate of 0.2904 percent.

12 (c) For the purposes of this subsection (11), "commercial
13 airplane" and "component" have the same meanings as provided in RCW
14 82.32.550.

15 (d) In addition to all other requirements under this title, a
16 person reporting under the tax rate provided in this subsection (11)
17 must file a complete annual report with the department under RCW
18 82.32.534.

19 (e)(i) Except as provided in (e)(ii) of this subsection (11),
20 this subsection (11) does not apply on and after July 1, 2040.

21 (ii) With respect to the manufacturing of commercial airplanes or
22 making sales, at retail or wholesale, of commercial airplanes, this
23 subsection (11) does not apply on and after July 1st of the year in
24 which the department makes a determination that any final assembly or
25 wing assembly of any version or variant of a commercial airplane that
26 is the basis of a siting of a significant commercial airplane
27 manufacturing program in the state under RCW 82.32.850 has been sited
28 outside the state of Washington. This subsection (11)(e)(ii) only
29 applies to the manufacturing or sale of commercial airplanes that are
30 the basis of a siting of a significant commercial airplane
31 manufacturing program in the state under RCW 82.32.850.

32 (f) Beginning January 1, 2017, a significant aerospace firm, as
33 defined in section 4 of this act, may not claim the preferential rate
34 under this subsection (11) if an education legacy contribution is
35 required under section 4 of this act and it has not been remitted to
36 the department.

37 (12)(a) Until July 1, 2024, upon every person engaging within
38 this state in the business of extracting timber or extracting for
39 hire timber; as to such persons the amount of tax with respect to the
40 business is, in the case of extractors, equal to the value of

1 products, including by-products, extracted, or in the case of
2 extractors for hire, equal to the gross income of the business,
3 multiplied by the rate of 0.4235 percent from July 1, 2006, through
4 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,
5 2024.

6 (b) Until July 1, 2024, upon every person engaging within this
7 state in the business of manufacturing or processing for hire: (i)
8 Timber into timber products or wood products; or (ii) timber products
9 into other timber products or wood products; as to such persons the
10 amount of the tax with respect to the business is, in the case of
11 manufacturers, equal to the value of products, including by-products,
12 manufactured, or in the case of processors for hire, equal to the
13 gross income of the business, multiplied by the rate of 0.4235
14 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent
15 from July 1, 2007, through June 30, 2024.

16 (c) Until July 1, 2024, upon every person engaging within this
17 state in the business of selling at wholesale: (i) Timber extracted
18 by that person; (ii) timber products manufactured by that person from
19 timber or other timber products; or (iii) wood products manufactured
20 by that person from timber or timber products; as to such persons the
21 amount of the tax with respect to the business is equal to the gross
22 proceeds of sales of the timber, timber products, or wood products
23 multiplied by the rate of 0.4235 percent from July 1, 2006, through
24 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,
25 2024.

26 (d) Until July 1, 2024, upon every person engaging within this
27 state in the business of selling standing timber; as to such persons
28 the amount of the tax with respect to the business is equal to the
29 gross income of the business multiplied by the rate of 0.2904
30 percent. For purposes of this subsection (12)(d), "selling standing
31 timber" means the sale of timber apart from the land, where the buyer
32 is required to sever the timber within thirty months from the date of
33 the original contract, regardless of the method of payment for the
34 timber and whether title to the timber transfers before, upon, or
35 after severance.

36 (e) For purposes of this subsection, the following definitions
37 apply:

38 (i) "Biocomposite surface products" means surface material
39 products containing, by weight or volume, more than fifty percent

1 recycled paper and that also use nonpetroleum-based phenolic resin as
2 a bonding agent.

3 (ii) "Paper and paper products" means products made of interwoven
4 cellulosic fibers held together largely by hydrogen bonding. "Paper
5 and paper products" includes newsprint; office, printing, fine, and
6 pressure-sensitive papers; paper napkins, towels, and toilet tissue;
7 kraft bag, construction, and other kraft industrial papers;
8 paperboard, liquid packaging containers, containerboard, corrugated,
9 and solid-fiber containers including linerboard and corrugated
10 medium; and related types of cellulosic products containing
11 primarily, by weight or volume, cellulosic materials. "Paper and
12 paper products" does not include books, newspapers, magazines,
13 periodicals, and other printed publications, advertising materials,
14 calendars, and similar types of printed materials.

15 (iii) "Recycled paper" means paper and paper products having
16 fifty percent or more of their fiber content that comes from
17 postconsumer waste. For purposes of this subsection (12)(e)(iii),
18 "postconsumer waste" means a finished material that would normally be
19 disposed of as solid waste, having completed its life cycle as a
20 consumer item.

21 (iv) "Timber" means forest trees, standing or down, on privately
22 or publicly owned land. "Timber" does not include Christmas trees
23 that are cultivated by agricultural methods or short-rotation
24 hardwoods as defined in RCW 84.33.035.

25 (v) "Timber products" means:

26 (A) Logs, wood chips, sawdust, wood waste, and similar products
27 obtained wholly from the processing of timber, short-rotation
28 hardwoods as defined in RCW 84.33.035, or both;

29 (B) Pulp, including market pulp and pulp derived from recovered
30 paper or paper products; and

31 (C) Recycled paper, but only when used in the manufacture of
32 biocomposite surface products.

33 (vi) "Wood products" means paper and paper products; dimensional
34 lumber; engineered wood products such as particleboard, oriented
35 strand board, medium density fiberboard, and plywood; wood doors;
36 wood windows; and biocomposite surface products.

37 (f) Except for small harvesters as defined in RCW 84.33.035, a
38 person reporting under the tax rate provided in this subsection (12)
39 must file a complete annual survey with the department under RCW
40 82.32.585.

1 (13) Upon every person engaging within this state in inspecting,
2 testing, labeling, and storing canned salmon owned by another person,
3 as to such persons, the amount of tax with respect to such activities
4 is equal to the gross income derived from such activities multiplied
5 by the rate of 0.484 percent.

6 (14)(a) Upon every person engaging within this state in the
7 business of printing a newspaper, publishing a newspaper, or both,
8 the amount of tax on such business is equal to the gross income of
9 the business multiplied by the rate of 0.35 percent until July 1,
10 2024, and 0.484 percent thereafter.

11 (b) A person reporting under the tax rate provided in this
12 subsection (14) must file a complete annual report with the
13 department under RCW 82.32.534.

14 **Sec. 3.** RCW 82.04.4461 and 2013 3rd sp.s. c 2 s 9 are each
15 amended to read as follows:

16 (1)(a)(i) In computing the tax imposed under this chapter, a
17 credit is allowed for each person for qualified aerospace product
18 development. For a person who is a manufacturer or processor for hire
19 of commercial airplanes or components of such airplanes, credit may
20 be earned for expenditures occurring after December 1, 2003. For all
21 other persons, credit may be earned only for expenditures occurring
22 after June 30, 2008.

23 (ii) For purposes of this subsection, "commercial airplane" and
24 "component" have the same meanings as provided in RCW 82.32.550.

25 (b) Before July 1, 2005, any credits earned under this section
26 must be accrued and carried forward and may not be used until July 1,
27 2005. These carryover credits may be used at any time thereafter, and
28 may be carried over until used. Refunds may not be granted in the
29 place of a credit.

30 (2) The credit is equal to the amount of qualified aerospace
31 product development expenditures of a person, multiplied by the rate
32 of 1.5 percent.

33 (3) Except as provided in subsection (1)(b) of this section the
34 credit must be claimed against taxes due for the same calendar year
35 in which the qualified aerospace product development expenditures are
36 incurred. Credit earned on or after July 1, 2005, may not be carried
37 over. The credit for each calendar year may not exceed the amount of
38 tax otherwise due under this chapter for the calendar year. Refunds
39 may not be granted in the place of a credit.

1 (4) Any person claiming the credit must file a form prescribed by
2 the department that must include the amount of the credit claimed, an
3 estimate of the anticipated aerospace product development
4 expenditures during the calendar year for which the credit is
5 claimed, an estimate of the taxable amount during the calendar year
6 for which the credit is claimed, and such additional information as
7 the department may prescribe.

8 (5) Beginning January 1, 2017, a significant aerospace firm, as
9 defined in section 4 of this act, may not claim the credit authorized
10 in this section if an education legacy contribution is required under
11 section 4 of this act and it has not been remitted to the department.

12 (6) The definitions in this subsection apply throughout this
13 section.

14 (a) "Aerospace product" has the meaning given in RCW 82.08.975.

15 (b) "Aerospace product development" means research, design, and
16 engineering activities performed in relation to the development of an
17 aerospace product or of a product line, model, or model derivative of
18 an aerospace product, including prototype development, testing, and
19 certification. The term includes the discovery of technological
20 information, the translating of technological information into new or
21 improved products, processes, techniques, formulas, or inventions,
22 and the adaptation of existing products and models into new products
23 or new models, or derivatives of products or models. The term does
24 not include manufacturing activities or other production-oriented
25 activities, however the term does include tool design and engineering
26 design for the manufacturing process. The term does not include
27 surveys and studies, social science and humanities research, market
28 research or testing, quality control, sale promotion and service,
29 computer software developed for internal use, and research in areas
30 such as improved style, taste, and seasonal design.

31 (c) "Qualified aerospace product development" means aerospace
32 product development performed within this state.

33 (d) "Qualified aerospace product development expenditures" means
34 operating expenses, including wages, compensation of a proprietor or
35 a partner in a partnership as determined by the department, benefits,
36 supplies, and computer expenses, directly incurred in qualified
37 aerospace product development by a person claiming the credit
38 provided in this section. The term does not include amounts paid to a
39 person or to the state and any of its departments and institutions,
40 other than a public educational or research institution to conduct

1 qualified aerospace product development. The term does not include
2 capital costs and overhead, such as expenses for land, structures, or
3 depreciable property.

4 (e) "Taxable amount" means the taxable amount subject to the tax
5 imposed in this chapter required to be reported on the person's tax
6 returns during the year in which the credit is claimed, less any
7 taxable amount for which a credit is allowed under RCW 82.04.440.

8 ~~((6))~~ (7) In addition to all other requirements under this
9 title, a person claiming the credit under this section must file a
10 complete annual report with the department under RCW 82.32.534.

11 ~~((7))~~ (8) Credit may not be claimed for expenditures for which
12 a credit is claimed under RCW 82.04.4452.

13 ~~((8))~~ (9) This section expires July 1, 2040.

14 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04
15 RCW to read as follows:

16 (1)(a) Except as provided in (b) of this subsection (1), if a
17 significant aerospace firm has an employment level that is below the
18 employment baseline, as determined in October of the current calendar
19 year by the department, the significant aerospace firm must make the
20 education legacy contribution determined under subsection (2) of this
21 section before the firm can claim the preferential rate under RCW
22 82.04.260(11) or the credit in RCW 82.04.4461 in the subsequent
23 calendar year.

24 (b) If Washington's average employment for the first quarter of
25 the current calendar year is thirty-three percent or more of the
26 total average employment for the first quarter of the current
27 calendar year for the states of Washington, California, Texas,
28 Arizona, Missouri, Alabama, Pennsylvania, and South Carolina, the
29 significant aerospace firm is not required to make the education
30 legacy contribution as provided in (a) of this subsection (1). In
31 making the determination under this subsection (1)(b), the department
32 must use the quarterly census of employment and wages, as reported to
33 the federal bureau of labor statistics, for all aerospace product and
34 parts manufacturing.

35 (2) If an education legacy contribution is required under
36 subsection (1) of this section, the contribution is calculated by
37 multiplying two thousand five hundred dollars by the difference of
38 the employment baseline and the employment level. Education legacy
39 contributions received by the department under this section must be

1 deposited in the education legacy trust account created in RCW
2 83.100.230.

3 (3) The definitions in this subsection apply throughout this
4 section unless the context clearly requires otherwise.

5 (a) "Employment baseline" means eighty-three thousand two hundred
6 ninety-five employment positions.

7 (b) "Employment level" means the average number of employment
8 positions reported to the employment security department for the
9 months of January through September.

10 (c) "Employment position" means a job with a significant
11 aerospace firm that is reported to the employment security
12 department.

13 (d) "Significant aerospace firm" means a manufacturer that has
14 made a final decision to site a significant commercial airplane
15 manufacturing program in the state under RCW 82.32.850.

16 NEW SECTION. **Sec. 5.** This act may be known and cited as the
17 aerospace tax incentive accountability act.

18 NEW SECTION. **Sec. 6.** This act takes effect August 1, 2016.

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