
SENATE BILL 6454

State of Washington

64th Legislature

2016 Regular Session

By Senators Fain and Takko

Read first time 01/21/16. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to providing a sales and use tax exemption for
2 certain new building construction to be used by maintenance repair
3 operators for airplane repair and maintenance; adding a new section
4 to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW;
5 creating a new section; providing an effective date; and providing
6 expiration dates.

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

8 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
9 performance statement for the tax preferences contained in sections 2
10 and 3 of this act. This performance statement is only intended to be
11 used for subsequent evaluation of the tax preference. It is not
12 intended to create a private right of action by any party or be used
13 to determine eligibility for preferential tax treatment.

14 (2) The legislature categorizes the tax preference in sections 2
15 and 3 of this act as one intended to create jobs, as indicated in RCW
16 82.32.808(2)(c).

17 (3) As part of its regular tax preference review, the joint
18 legislative audit and review committee must evaluate whether these
19 tax preferences have increased employment in the federal aviation
20 administration (FAR) repair station sector. In order to obtain the
21 data necessary to perform the review, the joint legislative audit and

1 review committee may refer to the annual report and annual survey for
2 tax preferences that federal aviation administration part 145 repair
3 stations are required to file with the department of revenue.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08
5 RCW to read as follows:

6 (1) The tax levied by RCW 82.08.020 does not apply to:

7 (a) Charges for labor and services rendered in respect to the
8 constructing of new buildings, made to: (i) An eligible maintenance
9 repair operator engaged in the maintenance of airplanes; or (ii) a
10 port district, political subdivision, or municipal corporation, if
11 the new building is to be leased to an eligible maintenance repair
12 operator engaged in the maintenance of airplanes.

13 (b) Sales of tangible personal property that will be incorporated
14 as an ingredient or component of such buildings during the course of
15 the constructing; or

16 (c) Charges made for labor and services rendered in respect to
17 installing, during the course of constructing such buildings,
18 building fixtures not otherwise eligible for the exemption under RCW
19 82.08.02565.

20 (2) For the purposes of this section, "eligible maintenance
21 repair operator" means a person classified by the federal aviation
22 administration as a federal aviation regulation part 145 certificated
23 repair station.

24 (3) The exemption under this section is available only when the
25 buyer provides the seller with an exemption certificate in a form and
26 manner prescribed by the department. Sellers making tax-exempt sales
27 under this section must obtain an exemption certificate from the
28 purchaser in a form and manner prescribed by the department. In lieu
29 of an exemption certificate, a seller may capture the relevant data
30 elements as allowed under the streamlined sales and use tax
31 agreement. The seller must retain a copy of the certificate or the
32 data elements for the seller's files.

33 (4) No application is necessary for the exemption in this
34 section. However, in order to qualify under this section before
35 starting construction, the port district, political subdivision, or
36 municipal corporation must have entered into an agreement with an
37 eligible maintenance and repair operator to build such a facility. A
38 person claiming the exemption under this section is subject to all
39 the requirements of chapter 82.32 RCW. In addition, the person must

1 file a complete annual report with the department under RCW
2 82.32.534.

3 (5) This section expires January 1, 2027.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12
5 RCW to read as follows:

6 (1) The provisions of this chapter do not apply with respect to
7 the use of:

8 (a) Tangible personal property that will be incorporated as an
9 ingredient or component in constructing new buildings for: (i) An
10 eligible maintenance repair operator; or (ii) a port district,
11 political subdivision, or municipal corporation, to be leased to an
12 eligible maintenance repair operator; or

13 (b) Labor and services rendered in respect to installing, during
14 the course of constructing such buildings, building fixtures not
15 otherwise eligible for the exemption under RCW 82.08.02565.

16 (2) The eligibility requirements, conditions, and definitions in
17 section 2 of this act apply to this section, including the filing of
18 a complete annual report with the department under RCW 82.32.534.

19 (3) This section expires January 1, 2027.

20 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2016.

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