
SUBSTITUTE SENATE BILL 5475

State of Washington

65th Legislature

2017 Regular Session

By Senate Energy, Environment & Telecommunications (originally sponsored by Senators Brown, Baumgartner, Rivers, Takko, King, Sheldon, Bailey, Ericksen, Angel, Honeyford, Miloscia, Becker, Braun, Hobbs, and Schoesler)

READ FIRST TIME 02/10/17.

1 AN ACT Relating to providing a business and occupation tax
2 exemption for manufacturers of small modular reactors; adding a new
3 section to chapter 82.04 RCW; creating a new section; and providing
4 an effective date.

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

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

12 (2) The legislature categorizes this tax preference as one
13 intended to create or retain jobs, as indicated in RCW
14 82.32.808(2)(c).

15 (3) It is the legislature's specific public policy objective to
16 retain or increase the number of jobs in the small modular reactor
17 industry in Washington. It is the legislature's intent to exempt from
18 the tax levied by RCW 82.04.240 the manufacture of small modular
19 reactors, thereby increasing the ability of such firms to invest in
20 and expand their Washington operations, thereby increasing the number
21 of jobs in the small modular reactor industry in Washington.

1 (4) If a review finds that the number of jobs in the small
2 modular reactor industry in Washington has increased by ten percent
3 compared to the number of those jobs at the time of enactment, then
4 the legislature intends to extend the expiration date of the tax
5 preference.

6 (5) In order to obtain the data necessary to perform the review
7 in subsection (4) of this section, the joint legislative audit and
8 review committee may refer to:

9 (a) The annual survey that a taxpayer reporting under the tax
10 rate provided in section 2 of this act must file with the department
11 of revenue per RCW 82.32.585; and

12 (b) Employment data available from the employment security
13 department.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04
15 RCW to read as follows:

16 (1) This chapter does not apply to any person engaging within
17 this state in the business of (a) manufacturing small modular
18 reactors, or (b) making sales at wholesale or retail of small modular
19 reactors manufactured by that person.

20 (2) For the purposes of this section, "small modular reactor"
21 means a scalable nuclear power plant using reactors that each have a
22 gross power output no greater than three hundred megawatts electric,
23 and where each reactor is designed for factory manufacturing and ease
24 of transport, such as by truck, rail, or barge.

25 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2017.

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