

2SHB 2157 - H AMD 805

By Representative Dye

NOT CONSIDERED 12/23/2019

1 On page 11, after line 7, insert the following:

2 "NEW SECTION. **Sec. 303.** (1) This section is the tax preference
3 performance statement for the tax preference contained in section
4 304, chapter . . ., Laws of 2019 (section 304 of this act). This
5 performance statement is only intended to be used for subsequent
6 evaluation of the tax preference. It is not intended to create a
7 private right of action by any party or to be used to determine
8 eligibility for preferential tax treatment.

9 (2) The legislature categorizes this tax preference as one
10 intended to provide tax relief for certain businesses or individuals
11 as intended in RCW 82.32.808(2)(e).

12 (3) It is the legislature's specific public policy objective to
13 assist the development of locally grown food industry businesses.

14 (4) The legislature intends to extend the expiration date of this
15 tax preference if the review finds that as a result of the tax
16 exemption provided in section 304, chapter ..., Laws of 2019 (section
17 304 of this act):

18 (a) There are more new locally grown food industry businesses
19 created during the ten years the exemption is in effect as compared
20 to the previous ten years; and

21 (b) The locally grown food industry in Washington is more
22 competitive in the national and global marketplace.

23 (5) In order to obtain the data necessary to perform the review
24 in subsection (4) of this section, the joint legislative audit and
25 review committee may refer to any data collected by the state.

26 NEW SECTION. **Sec. 304.** A new section is added to chapter 82.04
27 RCW to read as follows:

28 (1) Beginning January 1, 2020, this chapter does not apply to
29 qualified persons engaging in the business of manufacturing wheat
30 into flour, barley into pearl barley, soybeans into soybean oil,
31 canola into canola oil, canola meal, or canola by-products, or
32 sunflower seeds into sunflower oil.

1 (2) A "qualified person" must have been operating a business
2 engaged in the activities described in subsection (1) of this section
3 for less than ten years.

4 (3) This section expires January 1, 2030."

5 On page 33, line 23, after "**Sec. 702.**" strike "The" and insert
6 "(1) Unless otherwise provided in subsection (2) of this section,
7 the"

8 On page 33, after line 24, insert the following:

9 "(2) The reporting requirements and the tax preference
10 performance statement provisions of RCW 82.32.805 and 82.32.808 apply
11 to section 302 of this act."

12 Correct the title.

EFFECT: Provides an exemption from business and occupation (B&O) tax for manufacturers of flour, pearl barley, soybean oil, canola oil, canola meal, canola by-products, or sunflower oil that have been in business less than 10 years. Provides a tax preference performance statement for the new B&O exemption.

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