

**SB 6690** - S AMD TO S-7654.1 1383

By Senator Bailey

1 Beginning page 14, after line 27 of the amendment, insert the  
2 following:

3

4 "Sec. 6. RCW 82.04.240 and 2004 c 24 s 4 are each amended to  
5 read as follows:

6 (1) Upon every person engaging within this state in business as  
7 a manufacturer or processor for hire, except persons taxable as  
8 manufacturers or processors for hire under other provisions of this  
9 chapter( (; ~~as to such persons the amount of the tax with respect to~~  
10 ~~such business shall be equal to the value of the products, including~~  
11 ~~byproducts, manufactured, multiplied by the rate of 0.484 percent.~~

12 The measure of the tax)), and every manufacturer engaging within  
13 the state in the business of making sales, at retail or wholesale,  
14 of products manufactured by the manufacturer, as to such persons the  
15 amount of tax with respect to such business is equal to the taxable  
16 amount under this section multiplied by the rate of 0.357 percent.

17 (2) The measure of the tax on engaging in the business of:

18 (a) Manufacturing is the value of the products, including  
19 byproducts, so manufactured regardless of the place of sale or the  
20 fact that deliveries may be made to points outside the state;

21 (b) Retailing and wholesaling products manufactured by the  
22 manufacturer is the gross proceeds of the sales; and

23 (c) Processing for hire is the total charges made for those  
24 services.

25

26 **Sec. 7.** RCW 82.04.240 and 2017 3rd sp.s. c 37 s 518 are each  
27 amended to read as follows:

1 (1) Upon every person engaging within this state in business as  
2 a manufacturer or processor for hire, except persons taxable as  
3 manufacturers or processors for hire under other provisions of this  
4 chapter(~~(; as to such persons the amount of the tax with respect to~~  
5 ~~such business is equal to the value of the products, including~~  
6 ~~byproducts, manufactured, multiplied by the rate of 0.484 percent)),  
7 and every manufacturer engaging within the state in the business of  
8 making sales, at retail or wholesale, of products manufactured by  
9 the manufacturer, as to such persons to the amount of tax with  
10 respect to such business is equal to the taxable amount under this  
11 section multiplied by the rate of 0.357 percent.~~

12 (2)(a) Upon every person engaging within this state in the  
13 business of manufacturing semiconductor materials, as to such  
14 persons the amount of tax with respect to such business is, in the  
15 case of manufacturers, equal to the value of the product  
16 manufactured, or, in the case of processors for hire, equal to the  
17 gross income of the business, multiplied by the rate of 0.275  
18 percent. For the purposes of this subsection "semiconductor  
19 materials" means silicon crystals, silicon ingots, raw polished  
20 semiconductor wafers, compound semiconductors, integrated circuits,  
21 and microchips.

22 (b) A person reporting under the tax rate provided in this  
23 subsection (2) must file a complete annual tax performance report  
24 with the department under RCW 82.32.534.

25 (3) The measure of the tax on engaging in the business of:

26 (a) Manufacturing is the value of the products, including  
27 byproducts, so manufactured regardless of the place of sale or the  
28 fact that deliveries may be made to points outside the state;

29 (b) Retailing and wholesaling products manufactured by the  
30 manufacturer is the gross proceeds of the sales; and

31 (c) Processing for hire is the total charges made for those  
32 services.

33 (4) This section expires January 1, 2024, unless the contingency  
34 in RCW 82.32.790(2) occurs.

1        NEW SECTION. **Sec. 8.** Sections 6 and 7 of this act take effect  
2 on the date that the 0.357 percent rate is effective under section 2  
3 of this act.

4

5        Renumber the remaining section consecutively

6

7        On page 14, line 28, strike "This act is" and insert "Sections 1  
8 through 5 of this act are"

9

EFFECT: Lowers the B&O tax rate for all manufacturers to 0.357  
percent at the same time the 0.357 percent preferential rate becomes  
effective for the aerospace industry.

--- END ---