
SENATE BILL 5500

State of Washington

68th Legislature

2023 Regular Session

By Senators Billig and Padden

1 AN ACT Relating to retail sales tax exemptions for certain
2 aircraft maintenance and repair; amending RCW 82.08.025661; and
3 creating a new section.

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

5 **Sec. 1.** RCW 82.08.025661 and 2022 c 56 s 5 are each amended to
6 read as follows:

7 (1) Subject to the requirements of this section, the tax levied
8 by RCW 82.08.020 does not apply to:

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

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

18 (c) Charges made for labor and services rendered in respect to
19 installing, during the course of constructing such buildings,
20 building fixtures not otherwise eligible for the exemption under RCW
21 82.08.02565.

1 (2) (a) The exemption in this section is in the form of a
2 remittance. A buyer claiming an exemption from the tax in the form of
3 a remittance under this section must pay all applicable state and
4 local sales taxes imposed under RCW 82.08.020 and chapter 82.14 RCW
5 on all purchases qualifying for the exemption.

6 (b) The department must determine eligibility under this section
7 based on information provided by the buyer and through audit and
8 other administrative records. The buyer may on a quarterly basis
9 submit an application, in a form and manner as required by the
10 department by rule, specifying the amount of exempted tax claimed and
11 the qualifying purchases or acquisitions for which the exemption is
12 claimed. The buyer must retain, in adequate detail to enable the
13 department to determine whether the equipment or construction meets
14 the criteria under this section: Invoices; proof of tax paid;
15 documents describing the location and size of new structures; and
16 construction invoices and documents.

17 (c) The department must on a quarterly basis remit exempted
18 amounts to qualifying persons who submitted applications during the
19 previous quarter.

20 (d) A person may request a remittance for state sales and use
21 taxes after the aircraft maintenance and repair station has been
22 operationally complete for four years, but not sooner than December
23 1, 2021. However, the department may not remit the state portion of
24 sales and use taxes if the person did not report at least (~~one~~
25 ~~hundred~~) 100 average employment positions to the employment security
26 department for October 1, 2020, through September 30, 2021, with an
27 average annualized wage of (~~eighty thousand dollars~~) \$80,000. A
28 person must provide the department with the unemployment insurance
29 number provided to the employment security department for the
30 establishment.

31 (e) A person may request a remittance for local sales and use
32 taxes on or after July 1, 2016.

33 (3) In order to qualify under this section before starting
34 construction, the port district, political subdivision, or municipal
35 corporation must have entered into an agreement with an eligible
36 maintenance repair operator to build such a facility. A person
37 claiming the exemption under this section is subject to all the
38 requirements of chapter 82.32 RCW. In addition, the person must file
39 a complete annual report with the department under RCW 82.32.534.

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

3 (a) "Eligible maintenance repair operator" means a person
4 classified by the federal aviation administration as a federal
5 aviation regulation part 145 certificated repair station and located
6 in an international airport (~~(owned)~~): Owned by a county with a
7 population greater than (~~(one million five hundred thousand)~~)
8 1,500,000; or operated under chapter 14.08 RCW and located in a
9 county east of the Cascade mountains with a population greater than
10 500,000.

11 (b) "Operationally complete" means constructed to the point of
12 being functionally capable of hosting the repair and maintenance of
13 airplanes.

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

15 NEW SECTION. **Sec. 2.** RCW 82.32.808 does not apply to this act.

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