

2484

Sponsor(s): Representatives Van Luven, Sheldon, Radcliff, Hatfield, Sherstad, D. Schmidt, Cooke, Conway, Goldsmith, Silver, Kessler and Johnson

Brief Description: Allowing sales and use tax exemptions for manufacturing machinery and equipment used for maintenance, improvement, and research and development.

**HB 2484 - DIGEST**

(DIGEST AS ENACTED)

Authorizes sales and use tax exemptions for manufacturing machinery and equipment used for maintenance, improvement, and research and development.

Exempts materials used in the design and development of aircraft parts with a cap of one hundred thousand dollars per taxpayer per year.

Applies to taxpayers with gross sales of less than twenty million dollars per year.

VETO MESSAGE ON HB 2484

March 29, 1996

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington  
Ladies and Gentlemen:

I am returning herewith, without my approval as to section 6, House Bill No. 2484 entitled:

"AN ACT Relating to sales and use tax exemptions for manufacturing machinery and equipment;"

House Bill No. 2484 provides an exemption from the sales and use taxes for manufacturing machinery and equipment used for research and development. It also provides a sales and use tax exemption for sales of materials used in designing and developing aircraft parts and prototypes for small firms.

I agree with the finding of the legislature that this measure would improve the ability of Washington State to compete with other states in our region for manufacturing investment. This type of legislation helps bring more family wage jobs to the state as well as enhance and solidify the state's competitive position. I further agree with the legislature's finding that the health, safety, and welfare of the people of the state of Washington are heavily dependent upon the continued development and expansion of the state's manufacturing industries. In that light, I am vetoing section 6 of House Bill No. 2484. This section establishes an effective date of July 1, 1997, for sections of the bill pertaining to the sales and use tax exemption for manufacturing machinery and equipment used in research and development.

The necessity and importance of this type of legislation dictates that it be put into effect as soon as possible so that the economic benefits of increased employment and family wage jobs for the people of the state of Washington can begin immediately rather

than more than a year into the future. In addition, allowing the bill to become law within the usual 90 days after adjournment of the legislature will provide an additional \$12.4 million in sales and use tax relief to manufacturers in the state.

For this reason, I have vetoed section 6 of House Bill No. 2484.

With the exception of section 6, House Bill No. 2484 is approved.

Respectfully submitted,  
Mike Lowry  
Governor