
SENATE BILL 5700

State of Washington 60th Legislature 2007 Regular Session

By Senators Prentice, Kohl-Welles, Franklin, Keiser, Murray, Hatfield, Weinstein, Rasmussen, Hargrove, Tom and Kline

Read first time 01/29/2007. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to establishing a state tax policy that requires
2 persons claiming certain tax incentives to maintain neutrality towards
3 unionization; amending RCW 82.32.545, 82.04.250, 82.04.4461,
4 82.04.4463, 82.04.4487, 82.08.975, 82.08.980, 82.08.981, 82.12.975,
5 82.12.981, 84.36.655, and 82.29A.137; adding new sections to chapter
6 82.32 RCW; prescribing penalties; providing an effective date;
7 providing an expiration date; and declaring an emergency.

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

9 NEW SECTION. **Sec. 1.** (1) The legislature finds that the state's
10 tax policy currently provides for tax exemptions and credits, as well
11 as preferential tax rates, for certain industries. The state's tax
12 policy does not, however, require neutrality towards unionization as a
13 condition of claiming these incentives. As a result, some employers
14 that benefit substantially from these incentives have encouraged or
15 discouraged unionization.

16 (2) The legislature declares that the state's tax policy should
17 recognize the right of employees to freedom of association in the
18 workplace and freedom of choice in who will represent employees in
19 collective bargaining.

1 (3) For these reasons, the legislature intends to bar persons from
2 claiming these tax incentives if they choose to encourage or discourage
3 unionization.

4 (4) This act may be known and cited as the aerospace opportunity
5 and responsibility act.

6 NEW SECTION. **Sec. 2.** (1) A person is barred from claiming a tax
7 incentive if the person or the person's agent encourages or discourages
8 unionization by that person's employees or any other employee.

9 (2) If a person claiming a tax incentive encourages or discourages
10 unionization, a taxpayer may file a complaint with the director
11 alleging that the person has violated this section. Within thirty days
12 of receiving a complaint, the director shall conduct a hearing to
13 determine whether the alleged violation has occurred. Within ten days
14 of concluding a hearing, the director shall make a determination and
15 render a decision. If the director determines, by a preponderance of
16 the evidence, that the person violated this section, the department
17 shall declare the amount of tax incentives taken for that year to be
18 immediately due and payable. In addition, the person is liable to the
19 state for a civil penalty equal to twice the amount of the tax
20 incentive taken for the remainder of the year, and barred from claiming
21 a tax incentive for that year and the following calendar year.

22 (3) If a person claiming a tax incentive encourages or discourages
23 unionization, a taxpayer also may bring a civil action in the name of
24 the state seeking injunctive relief, civil penalties, and other
25 appropriate equitable relief. A prevailing plaintiff in an action
26 under this section is entitled to recover reasonable attorneys' fees
27 and costs.

28 (4) For purposes of this section:

29 (a) "Employee organization" means an organization of any kind in
30 which employees participate and which exists for the purpose, in whole
31 or in part, of collective bargaining with employers;

32 (b)(i) "Encourage or discourage unionization" means attempting to
33 influence the decision of the person's employees in this state
34 regarding whether to support or oppose an employee organization that
35 represents or seeks to represent those employees for the purpose of
36 collective bargaining, or become a member of an employee organization.

37 (ii) "Encourage or discourage unionization" does not mean:

1 (A) Addressing a grievance or negotiating or administering a
2 collective bargaining agreement;

3 (B) Allowing an employee organization or its representatives access
4 to the employer's facilities or property;

5 (C) Performing an activity required by federal or state law or by
6 a collective bargaining agreement; or

7 (D) Negotiating, entering into, or carrying out a voluntary
8 recognition agreement with an employee organization.

9 (c) "Tax incentive" means an exemption, credit, or preferential tax
10 rate under Title 82 or 84 RCW for persons who are manufacturers or
11 processors for hire of commercial airplanes, or components of such
12 airplanes, including but not limited to an exemption, credit, or
13 preferential tax rate under RCW 82.04.250, 82.04.4461, 82.04.4463,
14 82.04.4487, 82.08.975, 82.08.980, 82.08.981, 82.12.975, 82.12.980,
15 82.12.981, 82.29A.137, or 84.36.655.

16 **Sec. 3.** RCW 82.32.545 and 2003 2nd sp.s. c 1 s 16 are each amended
17 to read as follows:

18 (1) The legislature finds that accountability and effectiveness are
19 important aspects of setting tax policy. In order to make policy
20 choices regarding the best use of limited state resources the
21 legislature needs information on how a tax incentive is used.

22 (2)(a) A person who reports taxes under RCW 82.04.260(~~((+13))~~) (11)
23 or who claims an exemption or credit under RCW 82.04.4461, 82.08.980,
24 82.12.980, 82.29A.137, 84.36.655, and 82.04.4463 shall make an annual
25 report to the department detailing employment, wages, and employer-
26 provided health and retirement benefits per job at the manufacturing
27 site. The report shall not include names of employees. The report
28 shall also detail employment by the total number of full-time, part-
29 time, and temporary positions. The first report filed under this
30 subsection shall include employment, wage, and benefit information for
31 the twelve-month period immediately before first use of a preferential
32 tax rate under RCW 82.04.260(~~((+13))~~) (11), or tax exemption or credit
33 under RCW 82.04.4461, 82.08.980, 82.12.980, 82.29A.137, 84.36.655, and
34 82.04.4463. The report is due by March 31st following any year in
35 which a preferential tax rate under RCW 82.04.260(~~((+13))~~) (11) is used,
36 or tax exemption or credit under RCW 82.04.4461, 82.08.980, 82.12.980,

1 82.29A.137, 84.36.655, and 82.04.4463 is taken. This information is
2 not subject to the confidentiality provisions of RCW 82.32.330 and may
3 be disclosed to the public upon request.

4 (b) If a person fails to submit an annual report under (a) of this
5 subsection by the due date of the report, the department shall declare
6 the amount of taxes exempted or credited, or reduced in the case of the
7 preferential business and occupation tax rate, for that year to be
8 immediately due and payable. Excise taxes payable under this
9 subsection are subject to interest but not penalties, as provided under
10 this chapter. This information is not subject to the confidentiality
11 provisions of RCW 82.32.330 and may be disclosed to the public upon
12 request.

13 (3) By November (~~(1, 2010, and by November 1, 2023)~~) 1st of each
14 even-numbered year from 2008 through 2022, the fiscal committees of the
15 house of representatives and the senate, in consultation with the
16 department, shall report to the legislature on the effectiveness of
17 chapter 1, Laws of 2003 2nd sp. sess. in regard to keeping Washington
18 competitive. The report shall measure the effect of chapter 1, Laws of
19 2003 2nd sp. sess. on job retention, net jobs created for Washington
20 residents, company growth, diversification of the state's economy,
21 cluster dynamics, and other factors as the committees select. The
22 reports shall include a discussion of principles to apply in evaluating
23 whether the legislature should reenact any or all of the tax
24 preferences in chapter 1, Laws of 2003 2nd sp. sess.

25 **Sec. 4.** RCW 82.04.250 and 2006 c 177 s 5 are each amended to read
26 as follows:

27 (1) Upon every person engaging within this state in the business of
28 making sales at retail, except persons taxable as retailers under other
29 provisions of this chapter, as to such persons, the amount of tax with
30 respect to such business shall be equal to the gross proceeds of sales
31 of the business, multiplied by the rate of 0.471 percent.

32 (2) Upon every person engaging within this state in the business of
33 making sales at retail that are exempt from the tax imposed under
34 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or
35 82.08.0263, except persons taxable under RCW 82.04.260(11) or
36 subsection (3) of this section, as to such persons, the amount of tax

1 with respect to such business shall be equal to the gross proceeds of
2 sales of the business, multiplied by the rate of 0.484 percent.

3 (3) Upon every person engaging within this state in the business of
4 making sales at retail that are exempt from the tax imposed under
5 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or
6 82.08.0263, that is classified by the federal aviation administration
7 as a FAR part 145 certificated repair station with airframe and
8 instrument ratings and limited ratings for nondestructive testing,
9 radio, Class 3 Accessory, and specialized services, as to such persons,
10 the amount of tax with respect to such business shall be equal to the
11 gross proceeds of sales of the business, multiplied by the rate of
12 .2904 percent. Every person taxed at the preferential tax rate under
13 this subsection must comply with section 2 of this act.

14 **Sec. 5.** RCW 82.04.4461 and 2003 2nd sp.s. c 1 s 7 are each amended
15 to read as follows:

16 (1)(a) In computing the tax imposed under this chapter, a credit is
17 allowed for each person for preproduction development spending
18 occurring after December 1, 2003.

19 (b) Before July 1, 2005, any credits earned under this section must
20 be accrued and carried forward and may not be used until July 1, 2005.
21 These carryover credits may be used at any time thereafter, and may be
22 carried over until used. Refunds may not be granted in the place of a
23 credit.

24 (2) The credit is equal to the amount of qualified preproduction
25 development expenditures of a person, multiplied by the rate of 1.5
26 percent.

27 (3) Except as provided in subsection (1)(b) of this section the
28 credit shall be taken against taxes due for the same calendar year in
29 which the qualified preproduction development expenditures are
30 incurred. Credit earned on or after July 1, 2005, may not be carried
31 over. The credit for each calendar year shall not exceed the amount of
32 tax otherwise due under this chapter for the calendar year. Refunds
33 may not be granted in the place of a credit.

34 (4) Any person claiming the credit shall file an affidavit form
35 prescribed by the department that shall include the amount of the
36 credit claimed, an estimate of the anticipated preproduction
37 development expenditures during the calendar year for which the credit

1 is claimed, an estimate of the taxable amount during the calendar year
2 for which the credit is claimed, and such additional information as the
3 department may prescribe.

4 (5) The definitions in this subsection apply throughout this
5 section.

6 (a) "Aeronautics" means the study of flight and the science of
7 building and operating commercial aircraft.

8 (b) "Person" means a person as defined in RCW 82.04.030, who is a
9 manufacturer or processor for hire of commercial airplanes, or
10 components of such airplanes, as those terms are defined in RCW
11 82.32.550.

12 (c) "Preproduction development" means research, design, and
13 engineering activities performed in relation to the development of a
14 product, product line, model, or model derivative, including prototype
15 development, testing, and certification. The term includes the
16 discovery of technological information, the translating of
17 technological information into new or improved products, processes,
18 techniques, formulas, or inventions, and the adaptation of existing
19 products and models into new products or new models, or derivatives of
20 products or models. The term does not include manufacturing activities
21 or other production-oriented activities, however the term does include
22 tool design and engineering design for the manufacturing process. The
23 term does not include surveys and studies, social science and
24 humanities research, market research or testing, quality control, sale
25 promotion and service, computer software developed for internal use,
26 and research in areas such as improved style, taste, and seasonal
27 design.

28 (d) "Preproduction development spending" means qualified
29 preproduction development expenditures plus eighty percent of amounts
30 paid to a person other than a public educational or research
31 institution to conduct qualified preproduction development.

32 (e) "Qualified preproduction development" means preproduction
33 development performed within this state in the field of aeronautics.

34 (f) "Qualified preproduction development expenditures" means
35 operating expenses, including wages, compensation of a proprietor or a
36 partner in a partnership as determined by the department, benefits,
37 supplies, and computer expenses, directly incurred in qualified
38 preproduction development by a person claiming the credit provided in

1 this section. The term does not include amounts paid to a person other
2 than a public educational or research institution to conduct qualified
3 preproduction development. The term does not include capital costs and
4 overhead, such as expenses for land, structures, or depreciable
5 property.

6 (g) "Taxable amount" means the taxable amount subject to the tax
7 imposed in this chapter required to be reported on the person's tax
8 returns during the year in which the credit is claimed, less any
9 taxable amount for which a credit is allowed under RCW 82.04.440.

10 (6) In addition to all other requirements under this title, a
11 person taking the credit under this section must (~~report as required~~
12 ~~under~~) comply with RCW 82.32.545 and section 2 of this act.

13 (7) Credit may not be claimed for expenditures for which a credit
14 is claimed under RCW 82.04.4452.

15 (8) This section expires July 1, 2024.

16 **Sec. 6.** RCW 82.04.4463 and 2006 c 177 s 10 are each amended to
17 read as follows:

18 (1) In computing the tax imposed under this chapter, a credit is
19 allowed for property taxes and leasehold excise taxes paid during the
20 calendar year.

21 (2) The credit is equal to:

22 (a)(i)(A) Property taxes paid on new buildings, and land upon which
23 this property is located, built after December 1, 2003, and used
24 exclusively in manufacturing commercial airplanes or components of such
25 airplanes; and

26 (B) Leasehold excise taxes paid with respect to a building built
27 after January 1, 2006, the land upon which the building is located, or
28 both, if the building is used exclusively in manufacturing commercial
29 airplanes or components of such airplanes; or

30 (ii) Property taxes attributable to an increase in assessed value
31 due to the renovation or expansion, after December 1, 2003, of a
32 building used exclusively in manufacturing commercial airplanes or
33 components of such airplanes; and

34 (b) An amount equal to property taxes paid on machinery and
35 equipment exempt under RCW 82.08.02565 or 82.12.02565 and acquired
36 after December 1, 2003, multiplied by a fraction. The numerator of the
37 fraction is the total taxable amount subject to the tax imposed under

1 RCW 82.04.260(11) and the denominator of the fraction is the total
2 taxable amount subject to the tax imposed under all manufacturing
3 classifications in chapter 82.04 RCW, required to be reported on the
4 person's returns for the calendar year before the calendar year in
5 which the credit under this section is earned. No credit is available
6 under this subsection (2)(b) if either the numerator or the denominator
7 of the fraction is zero. If the fraction is greater than or equal to
8 nine-tenths, then the fraction is rounded to one. For purposes of this
9 subsection, "returns" means the combined excise tax returns for the
10 calendar year.

11 (3) For the purposes of this section, "commercial passenger
12 airplane" and "component" have the meanings given in RCW 82.32.550.

13 (4) A person taking the credit under this section is subject to all
14 the requirements of chapter 82.32 RCW. (~~In addition, the person must~~
15 ~~report as required under RCW 82.32.545.~~) A credit earned during one
16 calendar year may be carried over to be credited against taxes incurred
17 in a subsequent calendar year, but may not be carried over a second
18 year. No refunds may be granted for credits under this section.

19 (5) In addition to all other requirements under this title, a
20 person taking the credit under this section must (~~report as required~~
21 ~~under~~) comply with RCW 82.32.545 and section 2 of this act.

22 (6) This section expires July 1, 2024.

23 **Sec. 7.** RCW 82.04.4487 and 2006 c 177 s 3 are each amended to read
24 as follows:

25 (1) In computing the tax imposed under this chapter, a credit is
26 allowed for each person for qualified preproduction development
27 expenditures occurring after July 1, 2006.

28 (2) The credit is equal to the amount of qualified preproduction
29 development expenditures of a person, multiplied by the rate of 1.5
30 percent.

31 (3) The credit shall be taken against taxes due for the same
32 calendar year in which the qualified preproduction development
33 expenditures are incurred. Credits may not be carried over. The
34 credit for each calendar year may not exceed the amount of tax
35 otherwise due under this chapter for the calendar year. Refunds may
36 not be granted in the place of a credit.

1 (4) Any person entitled to the credit in this section as a result
2 of qualified preproduction development conducted under contract may
3 assign all or any portion of the credit to the person contracting for
4 the performance of the qualified preproduction development.

5 (5) The definitions in this subsection apply throughout this
6 section.

7 (a) "Aeronautics" means the study of flight and the science of
8 building and operating commercial aircraft.

9 (b) "Preproduction development" means research, design, and
10 engineering activities performed in relation to the development of a
11 product, product line, model, or model derivative, including prototype
12 development, testing, and certification. The term includes the
13 discovery of technological information, the translating of
14 technological information into new or improved products, processes,
15 techniques, formulas, or inventions, and the adaptation of existing
16 products and models into new products or new models, or derivatives of
17 products or models. The term does not include manufacturing activities
18 or other production-oriented activities. The term does not include
19 surveys and studies, social science and humanities research, market
20 research or testing, quality control, sale promotion and service,
21 computer software developed for internal use, and research in areas
22 such as improved style, taste, and seasonal design.

23 (c) "Qualified preproduction development" means preproduction
24 development performed within this state in the field of aeronautics.

25 (d) "Qualified preproduction development expenditures" means
26 operating expenses, including wages, compensation of a proprietor or a
27 partner in a partnership as determined by the department, benefits,
28 supplies, and computer expenses, directly incurred in qualified
29 preproduction development by a person claiming the credit provided in
30 this section. The term does not include amounts paid to a person other
31 than a public educational or research institution to conduct qualified
32 preproduction development. The term does not include capital costs and
33 overhead, such as expenses for land, structures, or depreciable
34 property.

35 (6) In addition to all other requirements under this title, a
36 person taking the credit under this section must comply with section 2
37 of this act.

1 (7) Credit may not be claimed for expenditures for which a credit
2 is claimed under RCW 82.04.4452 or 82.04.4461.

3 ~~((7))~~ (8) This section expires July 1, 2024.

4 **Sec. 8.** RCW 82.08.975 and 2003 2nd sp.s. c 1 s 9 are each amended
5 to read as follows:

6 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
7 computer hardware, computer peripherals, or software, not otherwise
8 eligible for exemption under RCW 82.08.02565, to a manufacturer or
9 processor for hire of commercial airplanes or components of such
10 airplanes, used primarily in the development, design, and engineering
11 of such products, or to sales of or charges made for labor and services
12 rendered in respect to installing the computer hardware, computer
13 peripherals, or software. The exemption is available only when the
14 buyer provides the seller with an exemption certificate in a form and
15 manner prescribed by the department. The seller shall retain a copy of
16 the certificate for the seller's files.

17 (2) In addition to all other requirements under this title, a
18 person taking the exemption under this section must comply with section
19 2 of this act.

20 (3) As used in this section, "commercial airplane" and "component"
21 have the meanings given in RCW 82.32.550. "Peripherals" includes
22 keyboards, monitors, mouse devices, and other accessories that operate
23 outside of the computer, excluding cables, conduit, wiring, and other
24 similar property.

25 ~~((3))~~ (4) This section expires July 1, 2024.

26 **Sec. 9.** RCW 82.08.980 and 2003 2nd sp.s. c 1 s 11 are each amended
27 to read as follows:

28 (1) The tax levied by RCW 82.08.020 shall not apply to charges made
29 for labor and services rendered in respect to the constructing of new
30 buildings by a manufacturer engaged in the manufacturing of
31 superefficient airplanes or by a port district, to be leased to a
32 manufacturer engaged in the manufacturing of superefficient airplanes,
33 to sales of tangible personal property that will be incorporated as an
34 ingredient or component of such buildings during the course of the
35 constructing, or to labor and services rendered in respect to
36 installing, during the course of constructing, building fixtures not

1 otherwise eligible for the exemption under RCW 82.08.02565(2)(b). The
2 exemption is available only when the buyer provides the seller with an
3 exemption certificate in a form and manner prescribed by the
4 department. The seller shall retain a copy of the certificate for the
5 seller's files.

6 (2) No application is necessary for the tax exemption in this
7 section, however in order to qualify under this section before starting
8 construction the port district must have entered into an agreement with
9 the manufacturer to build such a facility. A person taking the
10 exemption under this section is subject to all the requirements of
11 chapter 82.32 RCW. In addition, the person must (~~report as required~~
12 ~~under~~) comply with RCW 82.32.545 and section 2 of this act.

13 (3) The exemption in this section applies to buildings, or parts of
14 buildings, that are used exclusively in the manufacturing of
15 superefficient airplanes, including buildings used for the storage of
16 raw materials and finished product.

17 (4) For the purposes of this section, "superefficient airplane" has
18 the meaning given in RCW 82.32.550.

19 (5) This section expires July 1, 2024.

20 **Sec. 10.** RCW 82.08.981 and 2006 c 177 s 1 are each amended to read
21 as follows:

22 (1) The tax levied by RCW 82.08.020 does not apply to sales of
23 computer hardware, computer peripherals, or software, not otherwise
24 eligible for exemption under RCW 82.08.02565 or 82.08.975, used
25 primarily in the development, design, and engineering of commercial
26 airplanes or components of such airplanes, or to sales of or charges
27 made for labor and services rendered in respect to installing the
28 computer hardware, computer peripherals, or software. The exemption is
29 available only when the buyer provides the seller with an exemption
30 certificate in a form and manner prescribed by the department. The
31 seller shall retain a copy of the certificate for the seller's files.

32 (2) In addition to all other requirements under this title, a
33 person taking the exemption under this section must comply with section
34 2 of this act.

35 (3) As used in this section:

36 (a) "Commercial airplane" and "component" have the meanings in RCW
37 82.32.550.

1 (b) "Peripherals" includes keyboards, monitors, mouse devices, and
2 other accessories that operate outside of the computer, excluding
3 cables, conduit, wiring, and other similar property.

4 ~~((3))~~ (4) This section expires July 1, 2024.

5 **Sec. 11.** RCW 82.12.975 and 2003 2nd sp.s. c 1 s 10 are each
6 amended to read as follows:

7 (1) The provisions of this chapter shall not apply in respect to
8 the use of computer hardware, computer peripherals, or software, not
9 otherwise eligible for exemption under RCW 82.12.02565, by a
10 manufacturer or processor for hire of commercial airplanes or
11 components of such airplanes, used primarily in the development,
12 design, and engineering of such products, or to the use of labor and
13 services rendered in respect to installing the computer hardware,
14 computer peripherals, or software.

15 (2) In addition to all other requirements under this title, a
16 person taking the exemption under this section must comply with section
17 2 of this act.

18 (3) As used in this section, "commercial airplane" and "component"
19 have the meanings given in RCW 82.32.550. "Peripherals" includes
20 keyboards, monitors, mouse devices, and other accessories that operate
21 outside of the computer, excluding cables, conduit, wiring, and other
22 similar property.

23 ~~((3))~~ (4) This section expires July 1, 2024.

24 **Sec. 12.** RCW 82.12.981 and 2006 c 177 s 2 are each amended to read
25 as follows:

26 (1) The provisions of this chapter do not apply in respect to the
27 use of computer hardware, computer peripherals, or software, not
28 otherwise eligible for exemption under RCW 82.12.02565 or 82.12.975,
29 used primarily in the development, design, and engineering of
30 commercial airplanes or components of such airplanes, or to the use of
31 labor and services rendered in respect to installing the computer
32 hardware, computer peripherals, or software.

33 (2) In addition to all other requirements under this title, a
34 person taking the exemption under this section must comply with section
35 2 of this act.

36 (3) As used in this section:

1 (a) "Commercial airplane" and "component" have the meanings in RCW
2 82.32.550.

3 (b) "Peripherals" includes keyboards, monitors, mouse devices, and
4 other accessories that operate outside of the computer, excluding
5 cables, conduit, wiring, and other similar property.

6 (~~(3)~~) (4) This section expires July 1, 2024.

7 **Sec. 13.** RCW 84.36.655 and 2003 2nd sp.s. c 1 s 14 are each
8 amended to read as follows:

9 (1) Effective January 1, 2005, all buildings, machinery, equipment,
10 and other personal property of a lessee of a port district eligible
11 under RCW 82.08.980 and 82.12.980, used exclusively in manufacturing
12 superefficient airplanes, are exempt from property taxation. A person
13 taking the credit under RCW 82.04.4463 is not eligible for the
14 exemption under this section. For the purposes of this section,
15 "superefficient airplane" and "component" have the meanings given in
16 RCW 82.32.550.

17 (2) In addition to all other requirements under this title, a
18 person taking the exemption under this section must (~~report as~~
19 ~~required under~~) comply with RCW 82.32.545 and section 2 of this act.

20 (3) Claims for exemption authorized by this section shall be filed
21 with the county assessor on forms prescribed by the department and
22 furnished by the assessor. The assessor shall verify and approve
23 claims as the assessor determines to be justified and in accordance
24 with this section. No claims may be filed after December 31, 2023.
25 The department may adopt rules, under the provisions of chapter 34.05
26 RCW, as necessary to properly administer this section.

27 (4) This section applies to taxes levied for collection in 2006 and
28 thereafter.

29 (5) This section expires July 1, 2024.

30 **Sec. 14.** RCW 82.29A.137 and 2003 2nd sp.s. c 1 s 13 are each
31 amended to read as follows:

32 (1) All leasehold interests in port district facilities exempt from
33 tax under RCW 82.08.980 or 82.12.980 and used by a manufacturer engaged
34 in the manufacturing of superefficient airplanes, as defined in RCW
35 82.32.550, are exempt from tax under this chapter. A person taking the

1 credit under RCW 82.04.4463 is not eligible for the exemption under
2 this section.

3 (2) In addition to all other requirements under this title, a
4 person taking the exemption under this section must (~~report as~~
5 ~~required under~~) comply with RCW 82.32.545 and section 2 of this act.

6 (3) This section expires July 1, 2024.

7 NEW SECTION. **Sec. 15.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 16.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 July 1, 2007.

15 NEW SECTION. **Sec. 17.** Section 4 of this act expires July 1, 2011.

16 NEW SECTION. **Sec. 18.** Sections 1 and 2 of this act are each added
17 to chapter 82.32 RCW.

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