

---

HOUSE BILL 1470

---

State of Washington

67th Legislature

2021 Regular Session

By Representatives Dent and Klippert

1 AN ACT Relating to extending certain aerospace tax preferences to  
2 include unmanned aircraft systems; amending RCW 82.32.550; creating a  
3 new section; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the people  
6 of Washington have benefited from the presence of the aerospace  
7 industry. The legislature further finds that the industry continues  
8 to provide good-wage jobs and benefits for employees throughout the  
9 state. The legislature acknowledges that expansion of the aerospace  
10 industry to other types of aircraft manufacturing would provide  
11 additional good-wage jobs for the citizens of Washington, increasing  
12 the economic activity of manufacturing in the state. Therefore, the  
13 legislature intends to extend certain aerospace industry tax  
14 preferences to commercial unmanned aircraft systems manufacturing in  
15 order to encourage the migration of these businesses to Washington,  
16 in turn creating and retaining good-wage jobs and new tax revenue for  
17 the state.

18 (2) It is the specific public policy objective of the legislature  
19 to provide tax preferences to the manufacturing of commercial  
20 unmanned aircraft systems, including the components used in the  
21 manufacturing process. These tax preferences are intended to promote

1 economic growth and jobs for Washington. The legislature categorizes  
2 these tax preferences as ones intended to create and retain jobs, as  
3 described in RCW 82.32.808(2)(c).

4 (3)(a) In order to obtain the necessary data to perform a review  
5 of the tax preference provided in this act, persons using any of the  
6 preferences created under this act must file a tax preference annual  
7 report under RCW 82.32.534.

8 (b) The joint legislative audit and review committee must review  
9 the tax preference provided in this act as part of its normal review  
10 process of tax preferences. The committee must assess employment  
11 changes and tax revenue changes in the commercial unmanned aircraft  
12 systems industry in Washington in comparison to employment and tax  
13 revenues prior to the extension of tax preferences in this act. The  
14 committee must assess the number of jobs created in the commercial  
15 unmanned aircraft systems industry in Washington during the term of  
16 the tax preferences provided in this act. If the committee finds that  
17 the number of jobs in the commercial unmanned aircraft systems  
18 industry has increased by an average of 50 jobs during the term of  
19 the tax preferences provided in this act, then the legislature  
20 intends for the legislative auditor to recommend extending the  
21 expiration date of the tax preference.

22 (c) To the extent practicable, the joint legislative audit and  
23 review committee must use data provided by state agencies responsible  
24 for administering unemployment insurance and collecting tax revenue  
25 and data statistics provided by the bureau of labor statistics.

26 **Sec. 2.** RCW 82.32.550 and 2010 1st sp.s. c 23 s 517 are each  
27 amended to read as follows:

28 (1)(a) "Commercial airplane" has its ordinary meaning, which is  
29 an airplane certified by the federal aviation administration for  
30 transporting persons or property, and any military derivative of such  
31 an airplane.

32 (b) Until July 1, 2032, "commercial airplane" includes  
33 "commercial unmanned aircraft system," which is any federal aviation  
34 administration-certified aircraft designed to operate autonomously or  
35 be piloted remotely without a pilot on board, and the equipment  
36 necessary to remotely control or operate such aircraft.

37 (2) "Component" means a part or system certified by the federal  
38 aviation administration for installation or assembly into a  
39 commercial airplane.

1           (3) "Superefficient airplane" means a twin aisle airplane that  
2 carries between (~~two hundred~~) 200 and (~~three hundred fifty~~) 350  
3 passengers, with a range of more than (~~seven thousand two hundred~~)  
4 7,200 nautical miles, a cruising speed of approximately mach .85, and  
5 that uses (~~fifteen~~) 15 to (~~twenty~~) 20 percent less fuel than  
6 other similar airplanes on the market.

7           NEW SECTION.   **Sec. 3.** This act takes effect October 1, 2021.

--- END ---