

of this act.

Passed the House March 3, 1973.

Passed the Senate February 27, 1973.

Approved by the Governor March 20, 1973.

Filed in Office of Secretary of State March 20, 1973.

CHAPTER 149

[House Bill No. 54]

PROPERTY TAXES--VEHICLE, AIRCRAFT
PARTS--EXEMPTION

AN ACT Relating to revenue and taxation; amending section 1, chapter 124, Laws of 1969 ex. sess. and RCW 84.36.300; and adding a new section to chapter 84.36 RCW.

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

NEW SECTION. Section 1. There is added to chapter 84.36 RCW a new section to read as follows:

The legislature hereby finds and declares that to promote the policy of a free and uninhibited flow of commerce as established by federal constitutional and legislative dictate, it is desirable to exempt from property taxation, according to the provisions of section 2 of this 1973 amendatory act, certain parts and equipment coming into the state of Washington to be placed in vehicles which are then transferred to the possession of out-of-state owners. The legislature further recognizes that the temporary existence of these parts and equipment within the state justifies a tax exempt status which serves to encourage the manufacture and assemblage of vehicles within the state thereby promoting increased economic activity and jobs for our residents.

Sec. 2. Section 1, chapter 124, Laws of 1969 ex. sess. and RCW 84.36.300 are each amended to read as follows:

There shall be exempt from taxation a portion of each separately assessed stock of merchandise, as that word is defined in this section, owned or held by any taxpayer on the first day of January of any year computed by first multiplying the total amount of that stock of such merchandise, as determined in accordance with RCW 84.40.020, by a percentage determined by dividing the amount of such merchandise brought into this state by the taxpayer during the preceding year for that stock by the total additions to that stock by the taxpayer during that year, and then multiplying the result of the latter computation by a percentage determined by dividing the total out-of-state shipments of such merchandise by the taxpayer during the preceding year from that stock (and regardless of whether or not any

such shipments involved a sale of, or a transfer of title to, the merchandise within this state) by the total shipments of such merchandise by the taxpayer during the preceding year from that stock. As used in this section, the word "merchandise" means goods, wares, merchandise or material which were not manufactured in this state by the taxpayer and which were acquired by him (in any other manner whatsoever, including manufacture by him outside of this state) for the purpose of sale or shipment in substantially the same form in which they were acquired by him within this state or were brought into this state by him. Breaking of packages or of bulk shipments, packaging, repackaging, labeling or relabeling shall not be considered as a change in form within the meaning of this section. A taxpayer who has made no shipments of merchandise, either out-of-state or in-state, during the preceding year, may compute the percentage to be applied to the stock of merchandise on the basis of his experience from March 1 of the preceding year to the last day of February of the current year, in lieu of computing the percentage on the basis of his experience during the preceding year. The rule of strict construction shall not apply to this section.

All rights, title or interest in or to any aircraft parts, equipment, furnishings, or accessories (but not engines or major structural components) which are manufactured outside of the state of Washington and are owned by purchasers of the aircraft constructed, under construction or to be constructed in the state of Washington, and are shipped into the state of Washington for installation in or use in connection with the operation of such aircraft shall be exempt from taxation prior to and during construction of such aircraft and while held in this state for periods preliminary to and during the transportation of such aircraft from the state of Washington.

Passed the House February 16, 1973.

Passed the Senate March 8, 1973.

Approved by the Governor March 20, 1973.

Filed in Office of Secretary of State March 20, 1973.

CHAPTER 150

[House Bill No. 60]

IRRIGATION DISTRICTS--SURPLUS REAL PROPERTY--
DISPOSAL AUTHORITY

AN ACT Relating to irrigation districts; and amending section 2, chapter 125, Laws of 1971 ex.sess. and RCW 87.03.820; and adding a new section to chapter 58.17 RCW.

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