

sions to other persons or circumstances, is not affected.

Passed the House May 12, 1969
 Passed the Senate May 10, 1969
 Approved by the Governor May 23, 1969
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CHAPTER 257
 [Substitute House Bill No. 352]
 BUSINESS AND OCCUPATIONS TAX--
 CREDITS FOR CERTAIN MANUFACTURERS

AN ACT Relating to revenue and taxation; and amending section 26, chapter 173, Laws of 1965 ex. sess. as amended by section 1, chapter 89, Laws of 1967 ex. sess., and RCW 82.04.435; and declaring an emergency.

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

Section 1. Section 26, chapter 173, Laws of 1965 ex. sess. as amended by section 1, chapter 89, Laws of 1967 ex. sess., and RCW 82.04.435 are each amended to read as follows:

In computing tax under this chapter there may be credited against the amount of the tax the following items:

As to persons engaging in activities defined in RCW 82.04.120 (the definition of the term "to manufacture"), an amount not to exceed the tax actually paid under chapter 82.08 RCW (Retail Sales Tax) or chapter 82.12 RCW (Use Tax) by such persons or their lessors or their contract vendors, on materials, labor and services in the construction (~~or major improvement of buildings, structures or other improvements to real property that are essential to or an integral part of a factory, mill or manufacturing plant when such factory, mill or manufacturing plant is used or to be used in the business of manufacture for sale or commercial or industrial use of any articles, substances or commodities;--PROVIDED, That this credit shall be allowable only against tax payable by the manufacturer and measured by the value of products or gross proceeds of sales of articles, substances or commodities manufactured in this state;--PROVIDED FURTHER, That this credit shall be allowable only against any tax payable which is attributable to manufacturing which involves the use of such con-~~

struction or improvements;--PROVIDED-FURTHER, That notwithstanding the foregoing, no tax credit claimed shall be deducted on any return until such claim has been approved by the department of revenue or until ninety days after such claim has been submitted to the department of revenue for approval;--AND-PROVIDED-FURTHER, That this credit shall not be allowable for tax paid on purchases of material, labor or services on which the supplier thereof became entitled to compensation prior to July 1, 1964.

The term "major improvement" means and includes only construction or fixtures which constitute real property which adds substantially and directly to the size or productive capacity of the factory, mill or manufacturing plant)) of new buildings or the enlarging of existing buildings directly used in such activities. Where a building is used partly for manufacturing and partly for other purposes the applicable tax credit shall be determined by apportionment of the costs of construction under such rules as the department of revenue shall provide. For purposes of this section the term "buildings" shall mean and include only those structures used to house or shelter manufacturing activities, including the usual lighting, heating, ventilating and sanitary plumbing facilities. The term shall include plant offices and warehouses or other storage facilities for the storage of raw materials or finished goods when such facilities are essential to and an integral part of a factory, mill or manufacturing plant, but shall not include manufacturing or industrial fixtures or equipment such as tanks, conveyor systems, cranes, industrial machinery and related facilities irrespective of whether or not such fixtures or equipment are affixed to the realty. Notwithstanding the foregoing, the term "buildings" shall also include potlines and furnaces used directly in the manufacturing of metals. The phrase "construction of buildings" refers only to new or enlarged buildings and not to the repair or renovation of existing buildings.

This credit shall be allowable only against tax payable by the manufacturer and measured by the value of products or gross proceeds

of sales of articles, substances or commodities manufactured in this state, and shall be allowable only against any tax payable which is attributable to manufacturing occurring in the particular factory, mill or manufacturing plant in which such buildings are located.

No tax credit claimed shall be deducted on any return until such claim has been approved by the department of revenue or until ninety days after such claim has been submitted to the department of revenue for approval. This credit shall not be allowable for tax paid on purchases of material, labor or services on which the supplier thereof became entitled to compensation prior to July 1, 1964 or subsequent to January 1, 1971: PROVIDED, That the credit shall be allowable for the tax paid on such purchases pursuant to any contract entered into prior to January 1, 1971 if such tax is paid on such contract purchases prior to July 1, 1972.

Any credits granted prior to July 1, 1969 pursuant to this section shall not be affected by this 1969 amendatory act.

NEW SECTION. Sec. 2. This 1969 amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1969.

Passed the House May 12, 1969
Passed the Senate May 9, 1969
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CHAPTER 258
[Engrossed House Bill No. 684]
CITIES AND TOWNS--LOCAL IMPROVEMENTS

AN ACT Relating to cities and towns; adding new sections to chapters 35.44 and 35.45 RCW; amending section 35.43-.040, chapter 7, Laws of 1965 and RCW 35.43.040; amending section 1, chapter 52, Laws of 1967 and RCW 35.43-.042; amending section 35.43.080, chapter 7, Laws of 1965 as amended by section 5, chapter 52, Laws of 1967 and RCW 35.43.080; amending section 35.43.100, chapter 7, Laws of 1965 and RCW 35.43.100; amending section 35-