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September 5, 2019

Citizen Commission for Performance Measurement of Tax Preferences
c/o Keenan Konapaski, Legislative Auditor
Washington State Legislature
PO Box 40910
Olympia, WA 98504-0910

Sent via email to jlarc@leg.wa.gov

Re: Legislative Auditor's Recommendations Related to Financial Institution's Income from Certain Airplane Loans

Honorable Members of the Citizen Commission,

Founded in 1904, the Association of Washington Business (AWB) is the oldest and largest business association in Washington state. We serve as the state's chamber of commerce and manufacturing association.

AWB respectfully requests that you consider adopting a position that the Commission not endorse the Legislative Auditor's recommendation to clarify the intent and duration of the preference. The rationale for omitting an expiration is that the B&O Tax will be with us indefinitely. We can discern wise reasons why the Legislature may not have been more explicit in statute about its intent to benefit in-state companies.

The Legislative Auditor has determined that this preference is meeting its inferred objective. This incentive has the effect of providing targeted financial relief to commercial airlines *based in Washington*. This makes the choice to do commercial airline business in Washington more competitive. The incentive has the potential to support other, smaller Washington-based commercial airlines than those identified in the preliminary report, who choose to finance their aircraft with out-of-state lenders. The best outcome here for Washington's economy would be to not endorse the Auditor's recommendation so that the incentive is left in place, status quo.

Sincerely,

A handwritten signature in black ink, appearing to read "Clay Hill", written over a horizontal line.

Clay Hill
Director of Government Affairs
Association of Washington Business