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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

Re: Legislative Auditor's Recommendations Related to the Sales and Use Tax Exemption for Non-Residents Who Modify Their Large Private Airplanes in Washington

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 endorses the Legislative Auditor's recommendation to continue the preference, but not endorse the recommendation to clarify the objective.

We agree with the letter submitted by the Port of Moses Lake. The facts in the review support that this type of skilled, good-paying work modifying private aircraft was not done in Washington before the incentive. It is now. That work diversifies and strengthens the economy in Central Washington. Without question, this incentive has promoted economic development in Washington's aerospace cluster as it is constituted in Grant County. The Legislative Auditor recommends a clarification on the extent of jobs impact on the aerospace sector in Washington generally, i.e., how much the new business has grown the broader aerospace manufacturing industry. But the Legislature's stated objective was economic development, that is quintessentially bringing in new business, which this incentive has done. The Legislative Auditor is frankly suggesting a new and different metric, rather than a clarification.

Sincerely,

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

Clay Hill
Director, Government Affairs
Association of Washington Business