



Proposed Study Questions: Modifying Large Private Airplanes Owned by Nonresidents

State of Washington Joint Legislative Audit and Review Committee • September 2018

Citizen Commission scheduled a JLARC study of a sales and use tax exemption for modifications made to large private airplanes owned by nonresidents



The 2006 Legislature directed the staff of the Joint Legislative Audit and Review Committee (JLARC) to conduct performance audits of tax preferences. This preference is included in the 10-year review schedule set by the Citizen Commission for Performance Measurement of Tax Preferences.

The Legislature provided a sales and use tax exemption for nonresidents who pay Washington businesses to modify (e.g., repair, clean, alter, or improve) their large private airplanes. The preference began January 1, 2014, and is scheduled to expire July 1, 2021.

2019 study will address whether sales and use tax exemption is promoting economic development of Washington’s aerospace cluster

The Legislature stated its objectives for this tax preference when it was originally established. The study will answer questions based on these objectives.

Stated objectives	Study questions
Promote economic development of the state’s aerospace cluster	1. To what extent has employment in Washington’s aerospace cluster changed due to this tax preference?
Increase tax revenues by providing a competitive marketplace for storing and modifying large, privately owned aircraft	2. What is the estimated net impact to state revenues as a result of any economic activity stimulated by the tax preference?

Study Timeframe

Preliminary Report: July 2019

Proposed Final Report: December 2019

Study Team

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JLARC Study Process

