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
- Promote economic development of the state's aerospace cluster
- Increase tax revenues by providing a competitive marketplace for storing and modifying large, privately owned aircraft

### Study questions
1. To what extent has employment in Washington's aerospace cluster changed due to this tax preference?
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

- Study Mandate: Budget, legislation, committee direction
- Proposed Study Questions
- Legislative Auditor's Preliminary Report
- For Tax Preferences: Citizen Commission meeting, public testimony, commission adopts comments
- Legislative Auditor’s Proposed Final Report
- Agency response included
- Final Report: Option to append committee comment