

Washington Offers Aerospace Industry Great Tax Incentives

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Washington State hopes to tantalize new and existing aerospace companies with increased exposure about the state's tax incentives program. While these tax incentives have been available for some time, nearly 30% of the 442 aerospace companies in Washington have not taken advantage of them. By ignoring these programs, companies could be missing out on major savings—like taking 40% off their monthly B&O tax rate.

What Companies Are Eligible?

Washington is seeking out not just airplane manufacturing companies, but also those smaller businesses that fill a supporting role. To take advantage of this opportunity, businesses must be classified as one or more of the following:

- Manufacturers and processors for hire of commercial airplanes or their component parts
- Non-manufacturers engaged in aerospace product development
- Certificated FAR repair stations making retail sales
- Aerospace tooling manufacturers

What Are The Incentives?

There are four different incentives being offered. There is no application to sign up for these tax breaks, but each has its own set of qualifications and renewal guidelines:

- Reduced business and occupation (B&O) tax rate for aerospace businesses
- B&O tax credit for preproduction development expenditures
- B&O tax credit for property/leasehold taxes paid on qualified buildings and equipment
- Sales and use tax exemption on computer hardware, software and peripherals

Other requirements for eligibility include electronically filing your company's state excise taxes and filing an annual report that outlines employee wages and benefits.

For More Information

If you are interested in learning more about this topic or our Tax Services, please contact: Tax@allynintl.com.

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