

JAY INSLEE
Governor



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To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 201-205 and 601-606, Substitute Senate Bill No. 5977 entitled:

“AN ACT Relating to revenue.”

Sections 201 to 205 reduce the general manufacturing business and occupation tax rate and the processing hire rate over four years, beginning in 2019. But at a time when we are asking homeowners to pay more in property taxes to support our children's education, Sections 201 to 205 instead give a tax break to business; and, 21 percent of the revenue from this tax break goes to out-of-state oil companies. This revenue could be used for education, mental health, public safety, and a host of other important public services.

Moreover, these tax reductions should be considered in a thoughtful, transparent process that incorporates public input and business accountability.

Sections 601 to 606 make sales and use tax exemptions to encourage the conversion of power plants to natural gas or biomass from coal. These sections incentivize a company to do something that it is already required to do by law, giving it an unfair advantage over other Washington companies.

For these reasons I have vetoed Sections 201-205 and 601-606 of Substitute Senate Bill No. 5977.

With the exception of Sections 201-205 and 601-606, Substitute Senate Bill No. 5977 is approved.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jay Inslee", written over a light blue circular stamp.

Jay Inslee
Governor