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**SECOND SUBSTITUTE SENATE BILL 5732**

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**State of Washington                      62nd Legislature                      2012 Regular Session**

**By** Senate Economic Development, Trade & Innovation (originally sponsored by Senators Chase and Kastama)

READ FIRST TIME 01/30/12.

1            AN ACT Relating to exempting certain manufacturing research and  
2 development activities from business and occupation taxation; adding a  
3 new section to chapter 82.04 RCW; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.04 RCW  
6 to read as follows:

7            During the first five years of production, this chapter does not  
8 apply to any person with respect to the value of products manufactured  
9 in Washington when:

10           (1) The product was developed as a result of research and  
11 development, as defined in RCW 82.63.010, carried out at the University  
12 of Washington or Washington State University; and

13           (2) The product is being manufactured pursuant to a licensing  
14 agreement with the University of Washington or Washington State  
15 University.

16           NEW SECTION.    **Sec. 2.** This act takes effect July 1, 2012.

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