

FINAL BILL REPORT

3SHB 2053

C 223 L 08

Synopsis as Enacted

Brief Description: Providing for improved availability of motor vehicle fuel during power outages or interruptions in electrical service.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Goodman, Springer, O'Brien, Dunshee, Eddy, Blake, Lovick, Upthegrove, Green, Simpson and Hurst).

House Committee on Finance

Senate Committee on Transportation

Senate Committee on Ways & Means

Background:

Washington's principal tax on businesses is the state business and occupation (B&O) tax. The B&O tax applies to the gross receipts derived from engaging in business. Although the tax does not reflect the cost of doing business, there are a variety of exemptions, deductions and other tax incentives permitted by law. Gasoline service stations are subject to the B&O retailing rate (0.471 percent) on motor vehicle fuel and other items that are sold to consumers. Most B&O tax receipts are deposited in the State General Fund.

Summary:

A credit against state B&O tax liability is provided for gasoline service stations for costs associated with acquiring alternative power generation devices. The amount of tax credit is limited to 50 percent of the cost of such devices, up to a maximum of \$25,000 per taxpayer. Eligible costs include the purchase of alternative power generation devices, the wiring necessary to install the devices, and the related installation labor and services. An overall cap of \$750,000 per biennium applies to the total credits under the program. The credit will expire at the end of fiscal year 2011.

Votes on Final Passage:

House	96	1
House	94	0
Senate	42	0

Effective: July 1, 2008