
SUBSTITUTE SENATE BILL 5575

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Hobbs, Schoesler, Zarelli and Kilmer; by request of Department of Revenue)

READ FIRST TIME 02/9/07.

1 AN ACT Relating to an exemption from the business and occupation
2 tax for the resale of natural or manufactured gas by consumers; and
3 amending RCW 82.04.310.

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

5 **Sec. 1.** RCW 82.04.310 and 2000 c 245 s 2 are each amended to read
6 as follows:

7 (1) This chapter shall not apply to any person in respect to a
8 business activity with respect to which tax liability is specifically
9 imposed under the provisions of chapter 82.16 RCW including amounts
10 derived from activities for which a deduction is allowed under RCW
11 82.16.050.

12 (2) This chapter does not apply to amounts received by any person
13 for the sale of electrical energy for resale within or outside the
14 state.

15 (3)(a) This chapter does not apply to amounts received by any
16 person for the sale of natural or manufactured gas in a calendar year
17 if that person sells within the United States a total amount of natural
18 or manufactured gas in that calendar year that is no more than twenty

1 percent of the amount of natural or manufactured gas that it consumes
2 within the United States in the same calendar year.

3 (b) For purposes of determining whether a person has sold within
4 the United States a total amount of natural or manufactured gas in a
5 calendar year that is no more than twenty percent of the amount of
6 natural or manufactured gas that it consumes within the United States
7 in the same calendar year, the following transfers of gas are not
8 considered to be the sale of natural or manufactured gas:

9 (i) The transfer of any natural or manufactured gas as a result of
10 the acquisition of another business, through merger or otherwise; or

11 (ii) The transfer of any natural or manufactured gas accomplished
12 solely to comply with federal regulatory requirements imposed on the
13 pipeline transportation of such gas when it is shipped by a third-party
14 manager of a person's pipeline transportation.

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