
SUBSTITUTE HOUSE BILL 3053

State of Washington 61st Legislature 2010 Regular Session

By House Finance (originally sponsored by Representatives Kenney and Llias; by request of Department of Revenue)

READ FIRST TIME 02/09/10.

1 AN ACT Relating to extending expiring tax incentives for certain
2 clean alternative fuel vehicles, producers of certain biofuels, and
3 federal aviation regulation part 145 certificated repair stations;
4 amending RCW 82.04.250, 82.08.809, 82.12.809, 84.36.635, 84.36.640, and
5 82.29A.135; repealing 2008 c 81 s 19 (uncodified); repealing 2007 c 54
6 s 30 (uncodified); repealing 2006 c 177 s 14 (uncodified); repealing
7 2005 c 296 s 6 (uncodified); repealing 2007 c 54 s 5; and providing an
8 expiration date.

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

10 **Sec. 1.** RCW 82.04.250 and 2008 c 81 s 5 are each amended to read
11 as follows:

12 (1) Upon every person engaging within this state in the business of
13 making sales at retail, except persons taxable as retailers under other
14 provisions of this chapter, as to such persons, the amount of tax with
15 respect to such business (~~(shall be)~~) is equal to the gross proceeds of
16 sales of the business, multiplied by the rate of 0.471 percent.

17 (2) Upon every person engaging within this state in the business of
18 making sales at retail that are exempt from the tax imposed under
19 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or

1 82.08.0263, except persons taxable under RCW 82.04.260(11) or
2 subsection (3) of this section, as to such persons, the amount of tax
3 with respect to such business (~~shall be~~) is equal to the gross
4 proceeds of sales of the business, multiplied by the rate of 0.484
5 percent.

6 (3)(a) Until July 1, 2024, upon every person classified by the
7 federal aviation administration as a federal aviation regulation part
8 145 certificated repair station and that is engaging within this state
9 in the business of making sales at retail that are exempt from the tax
10 imposed under chapter 82.08 RCW by reason of RCW 82.08.0261,
11 82.08.0262, or 82.08.0263, as to such persons, the amount of tax with
12 respect to such business (~~shall be~~) is equal to the gross proceeds of
13 sales of the business, multiplied by the rate of .2904 percent.

14 (b) A person reporting under the tax rate provided in this
15 subsection (3) must file a complete annual report with the department
16 under RCW 82.32.--- (section 103, chapter -- (SHB 3066), Laws of 2010).

17 **Sec. 2.** RCW 82.08.809 and 2005 c 296 s 1 are each amended to read
18 as follows:

19 (1) The tax levied by RCW 82.08.020 does not apply to sales of new
20 passenger cars, light duty trucks, and medium duty passenger vehicles,
21 which are exclusively powered by a clean alternative fuel.

22 (2) The seller must keep records necessary for the department to
23 verify eligibility under this section.

24 (3) As used in this section, "clean alternative fuel" means natural
25 gas, propane, hydrogen, or electricity, when used as a fuel in a motor
26 vehicle that meets the California motor vehicle emission standards in
27 Title 13 of the California code of regulations, effective January 1,
28 2005, and the rules of the Washington state department of ecology.

29 (4) This section expires July 1, 2011.

30 **Sec. 3.** RCW 82.12.809 and 2005 c 296 s 3 are each amended to read
31 as follows:

32 (1) Until July 1, 2011, the provisions of this chapter do not apply
33 in respect to the use of new passenger cars, light duty trucks, and
34 medium duty passenger vehicles, which are exclusively powered by a
35 clean alternative fuel.

1 (2) "Clean alternative fuel" has the same meaning as provided in
2 RCW 82.08.809.

3 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020
4 on the use, on or after July 1, 2011, of a passenger car, light duty
5 truck, or medium duty passenger vehicle exclusively powered by a clean
6 alternative fuel, if the taxpayer used such vehicle in this state
7 before July 1, 2011, and the use was exempt under this section from the
8 tax imposed in RCW 82.12.020.

9 **Sec. 4.** RCW 84.36.635 and 2008 c 268 s 1 are each amended to read
10 as follows:

11 (1) For the purposes of this section:

12 (a) "Alcohol fuel" means any alcohol made from a product other than
13 petroleum or natural gas, which is used alone or in combination with
14 gasoline or other petroleum products for use as a fuel for motor
15 vehicles, farm implements, and machines or implements of husbandry.

16 (b) "Anaerobic digester" has the same meaning as provided in RCW
17 82.08.900.

18 (c) "Biodiesel feedstock" means oil that is produced from an
19 agricultural crop for the sole purpose of ultimately producing
20 biodiesel fuel.

21 (d) "Biodiesel fuel" means a mono alkyl ester of long chain fatty
22 acids derived from vegetable oils or animal fats for use in
23 compression-ignition engines and that meets the requirements of the
24 American society of testing and materials specification D 6751 in
25 effect as of January 1, 2003.

26 (2)(a) All buildings, machinery, equipment, and other personal
27 property which are used primarily for the manufacturing of alcohol
28 fuel, biodiesel fuel, biodiesel feedstock, or the operation of an
29 anaerobic digester, the land upon which this property is located, and
30 land that is reasonably necessary in the manufacturing of alcohol fuel,
31 biodiesel fuel, biodiesel feedstock, or the operation of an anaerobic
32 digester, but not land necessary for growing of crops, which together
33 comprise a new manufacturing facility or an addition to an existing
34 manufacturing facility, are exempt from property taxation for the six
35 assessment years following the date on which the facility or the
36 addition to the existing facility becomes operational.

1 (b) For manufacturing facilities which produce products in addition
2 to alcohol fuel, biodiesel fuel, or biodiesel feedstock, the amount of
3 the property tax exemption (~~((shall be))~~) is based upon the annual
4 percentage of the total value of all products manufactured that is the
5 value of the alcohol fuel, biodiesel fuel, and biodiesel feedstock
6 manufactured.

7 (3) Claims for exemptions authorized by this section (~~((shall))~~) must
8 be filed with the county assessor on forms prescribed by the department
9 of revenue and furnished by the assessor. Once filed, the exemption is
10 valid for six years and (~~((shall))~~) may not be renewed. The assessor
11 (~~((shall))~~) must verify and approve claims as the assessor determines to
12 be justified and in accordance with this section. No claims may be
13 filed after December 31, (~~((2009))~~) 2015, except for claims for anaerobic
14 digesters, which may be filed no later than December 31, 2012.

15 (4) The department of revenue may promulgate such rules, pursuant
16 to chapter 34.05 RCW, as necessary to properly administer this section.

17 (5) A person claiming the exemption provided in this section must
18 file a complete annual survey with the department under RCW 82.32.---
19 (section 102, chapter -- (SHB 3066), Laws of 2010).

20 **Sec. 5.** RCW 84.36.640 and 2003 c 339 s 9 are each amended to read
21 as follows:

22 (1) For the purposes of this section, "wood biomass fuel" means a
23 pyrolytic liquid fuel or synthesis gas-derived liquid fuel, used in
24 internal combustion engines, and produced from wood, forest, or field
25 residue, or dedicated energy crops that do not include wood pieces that
26 have been treated with chemical preservatives such as creosote,
27 pentachlorophenol, or copper-chroma-arsenic.

28 (2)(a) All buildings, machinery, equipment, and other personal
29 property which is used primarily for the manufacturing of wood biomass
30 fuel, the land upon which this property is located, and land that is
31 reasonably necessary in the manufacturing of wood biomass fuel, but not
32 land necessary for growing of crops, which together comprise a new
33 manufacturing facility or an addition to an existing manufacturing
34 facility, are exempt from property taxation for the six assessment
35 years following the date on which the facility or the addition to the
36 existing facility becomes operational.

1 (b) For manufacturing facilities which produce products in addition
2 to wood biomass fuel, the amount of the property tax exemption (~~shall~~
3 ~~be~~) is based upon the annual percentage of the total value of all
4 products manufactured that is the value of the wood biomass fuel
5 manufactured.

6 (3) Claims for exemptions authorized by this section (~~shall~~) must
7 be filed with the county assessor on forms prescribed by the department
8 of revenue and furnished by the assessor. Once filed, the exemption is
9 valid for six years and (~~shall~~) may not be renewed. The assessor
10 (~~shall~~) must verify and approve claims as the assessor determines to
11 be justified and in accordance with this section. No claims may be
12 filed after December 31, (~~2009~~) 2015.

13 (4) The department of revenue may promulgate such rules, pursuant
14 to chapter 34.05 RCW, as necessary to properly administer this section.

15 (5) A person claiming the exemption provided in this section must
16 file a complete annual survey with the department under RCW 82.32.---
17 (section 102, chapter -- (SHB 3066), Laws of 2010).

18 **Sec. 6.** RCW 82.29A.135 and 2008 c 268 s 2 are each amended to read
19 as follows:

20 (1) For the purposes of this section:

21 (a) "Alcohol fuel" means any alcohol made from a product other than
22 petroleum or natural gas, which is used alone or in combination with
23 gasoline or other petroleum products for use as a fuel for motor
24 vehicles, farm implements, and machines or implements of husbandry.

25 (b) "Anaerobic digester" has the same meaning as provided in RCW
26 82.08.900.

27 (c) "Biodiesel feedstock" means oil that is produced from an
28 agricultural crop for the sole purpose of ultimately producing
29 biodiesel fuel.

30 (d) "Biodiesel fuel" means a mono alkyl ester of long chain fatty
31 acids derived from vegetable oils or animal fats for use in
32 compression-ignition engines and that meets the requirements of the
33 American society of testing and materials specification D 6751 in
34 effect as of January 1, 2003.

35 (e) "Wood biomass fuel" means a pyrolytic liquid fuel or synthesis
36 gas-derived liquid fuel, used in internal combustion engines, and
37 produced from wood, forest, or field residue, or dedicated energy crops

1 that do not include wood pieces that have been treated with chemical
2 preservatives such as creosote, pentachlorophenol, or copper-chroma-
3 arsenic.

4 (2)(a) All leasehold interests in buildings, machinery, equipment,
5 and other personal property which are used primarily for the
6 manufacturing of alcohol fuel, wood biomass fuel, biodiesel fuel,
7 biodiesel feedstock, or the operation of an anaerobic digester, the
8 land upon which this property is located, and land that is reasonably
9 necessary in the manufacturing of alcohol fuel, wood biomass fuel,
10 biodiesel fuel, biodiesel feedstock, or the operation of an anaerobic
11 digester, but not land necessary for growing of crops, which together
12 comprise a new manufacturing facility or an addition to an existing
13 manufacturing facility, are exempt from leasehold taxes for a period of
14 six years from the date on which the facility or the addition to the
15 existing facility becomes operational.

16 (b) For manufacturing facilities which produce products in addition
17 to alcohol fuel, wood biomass fuel, biodiesel fuel, or biodiesel
18 feedstock, the amount of the leasehold tax exemption (~~((shall be))~~) is
19 based upon the annual percentage of the total value of all products
20 manufactured that is the value of the alcohol fuel, wood biomass fuel,
21 biodiesel fuel, and biodiesel feedstock manufactured.

22 (3) Claims for exemptions authorized by this section (~~((shall))~~) must
23 be filed with the department of revenue on forms prescribed by the
24 department of revenue and furnished by the department of revenue. Once
25 filed, the exemption is valid for six years and (~~((shall))~~) may not be
26 renewed. The department of revenue (~~((shall))~~) must verify and approve
27 claims as the department of revenue determines to be justified and in
28 accordance with this section. No claims may be filed after December
29 31, (~~((2009))~~) 2015, except for claims for anaerobic digesters, which may
30 be filed no later than December 31, 2012.

31 (4) The department of revenue may promulgate such rules, pursuant
32 to chapter 34.05 RCW, as are necessary to properly administer this
33 section.

34 (5) A person claiming the exemption provided in this section must
35 file a complete annual survey with the department under RCW 82.32.---
36 (section 102, chapter -- (SHB 3066), Laws of 2010).

1 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
2 repealed:

- 3 (1) 2008 c 81 s 19 (uncodified);
- 4 (2) 2007 c 54 s 5;
- 5 (3) 2007 c 54 s 30 (uncodified);
- 6 (4) 2006 c 177 s 14 (uncodified); and
- 7 (5) 2005 c 296 s 6 (uncodified).

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