

ANALYSIS OF HB 2299

House Agriculture & Ecology Committee

January 14, 1998

BACKGROUND:

Between 1969 and 1981, entities which purchased pollution control facilities (equipment, systems, control devices, etc.) in order to comply with laws pertaining to clean air or clean water could apply for a certificate from the Department of Ecology. The certificate allowed the entity to obtain a credit against the business and occupation tax, use tax, or public utility tax of up to 50% of the cost of the facility. The amount of the credit could not exceed 2% of the cost of the facility per year. Although the granting of new credits ended in 1981, there are still 69 companies which still hold certificates under the program.

The Department of Ecology is required to revoke a certificate if the facility covered by the certificate is modified or replaced, even if the new or modified facility is an improvement over the facility covered by the certificate.

SUMMARY:

If an entity modifies or replaces a facility covered by a pollution control tax credit certificate issued by the Department of Ecology, and the facility is still operated primarily for the control or reduction of water pollution or the control, capture, and removal of air pollution, and the facility is reasonably adequate to meet the purposes of the laws pertaining to water and air pollution, then the certificate may not be revoked because of the modification or replacement of the original facility.