

HOUSE BILL REPORT

HB 1821

As Reported By House Committee On:

Agriculture & Ecology

Title: An act relating to a tax credit for water conservation for purveyors of water.

Brief Description: Providing a tax deduction for water conservation measures.

Sponsors: Representatives G. Chandler, Linville, Schoesler, Quall, Thomas, Boldt and Dunn.

Brief History:

Committee Activity:

Agriculture & Ecology: 2/22/99, 2/25/99 [DPS].

Brief Summary of Substitute Bill

A deduction is created against the public utility tax for expenditures to improve efficiency of water use by consumers.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; Koster, Republican Vice Chair; Anderson; B. Chandler; Delvin; Fortunato; Grant; Reardon; Schoesler; Stensen; Sump and Wood.

Staff: Bill Lynch (786-7092).

Background:

The public utility tax is imposed upon several different types of public service businesses. The tax is imposed upon the gross income of the business, multiplied by the rate set for that particular type of business. The rate imposed upon a water distribution business is 5.029 percent.

A deduction is allowed against the public utility tax for the amounts expended to improve consumers' efficiency of energy use or to otherwise reduce the amount of electrical energy or gas used by consumers. No similar deduction is allowed for amounts expended to improve consumers' efficiency of water use.

A 1995 report by the Department of Health indicated that consumer education is important in encouraging conservation and efficient use of water.

Summary of Substitute Bill:

A deduction is allowed against the public utility tax for the amounts expended to improve consumers' efficiency of water use or to otherwise reduce the amount of water by consumers.

Substitute Bill Compared to Original Bill: A technical amendment is made to avoid the application of language which would make the deduction inoperable.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Original bill) This provides the same tax credit available for energy conservation and applies it to water conservation. This may also save energy. Incentives may result in great benefits.

Testimony Against: None.

Testified: Steve Lindstrom, Sno-King Water District.