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HOUSE BILL 1460

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State of Washington

56th Legislature

1999 Regular Session

By Representatives Poulsen, Crouse, Morris, Reardon, Ruderman, Cooper, DeBolt, Constantine, Wolfe, Kastama, Bush and Wood

Read first time 01/26/1999. Referred to Committee on Technology, Telecommunications & Energy.

1 AN ACT Relating to exempting electric generating facilities powered  
2 by wind or sun energy from sales and use taxes; amending RCW  
3 82.08.02567 and 82.12.02567; providing an effective date; providing  
4 expiration dates; and declaring an emergency.

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

6 **Sec. 1.** RCW 82.08.02567 and 1998 c 309 s 1 are each amended to  
7 read as follows:

8 (1) The tax levied by RCW 82.08.020 shall not apply to sales of  
9 machinery and equipment used directly in generating electricity using  
10 wind, sun, or landfill gas as the principal source of power, or to  
11 sales of or charges made for labor and services rendered in respect to  
12 installing such machinery and equipment, but only if the purchaser  
13 develops with such machinery, equipment, and labor a facility capable  
14 of generating not less than two hundred ((kilowatts)) watts of  
15 electricity and provides the seller with an exemption certificate in a  
16 form and manner prescribed by the department ((by rule, and the  
17 purchaser provides the department with a duplicate of the certificate  
18 or a summary of exempt sales as the department may require)). The  
19 seller shall retain a copy of the certificate for the seller's files.

1 (2) For purposes of this section and RCW 82.12.02567:

2 (a) "Landfill gas" means biomass fuel of the type qualified for  
3 federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill.  
4 "Landfill" means a landfill as defined under RCW 70.95.030;

5 (b) "Machinery and equipment" means industrial fixtures, devices,  
6 and support facilities that are integral and necessary to the  
7 generation of electricity using wind, sun, or landfill gas as the  
8 principal source of power;

9 (c) "Machinery and equipment" does not include: (I) Hand tools;  
10 (ii) property with a useful life of less than one year; (iii) repair  
11 parts required to restore machinery and equipment to normal working  
12 order; (iv) replacement parts that do not increase productivity,  
13 improve efficiency, or extend the useful life of machinery and  
14 equipment; (v) buildings; or (vi) building fixtures that are not  
15 integral and necessary to the generation of electricity that are  
16 permanently affixed to and become a physical part of a building;

17 (d) Machinery and equipment is "used directly" in generating  
18 electricity by wind energy, solar energy, or landfill gas power if it  
19 provides any part of the process that captures the energy of the wind,  
20 sun, or landfill gas, converts that energy to electricity, and stores,  
21 transforms, or transmits that electricity for ~~((entry into))~~ operation  
22 in parallel with electric transmission and distribution systems.

23 (3) This section expires June 30, ~~((2005))~~ 2009.

24 **Sec. 2.** RCW 82.12.02567 and 1998 c 309 s 2 are each amended to  
25 read as follows:

26 (1) The provisions of this chapter shall not apply with respect to  
27 machinery and equipment used directly in generating not less than two  
28 hundred ~~((kilowatts))~~ watts of electricity using wind, sun, or landfill  
29 gas as the principal source of power ~~((, but only when the user provides~~  
30 ~~the department with:~~

31 ~~(a) An exemption certificate in a form and manner prescribed by the~~  
32 ~~department within sixty days of the first use of such machinery and~~  
33 ~~equipment in this state; or~~

34 ~~(b) An annual summary listing the machinery and equipment by~~  
35 ~~January 31st of the year following the calendar year in which the~~  
36 ~~machinery and equipment is first used in this state)).~~

37 (2) The definitions in RCW 82.08.02567 apply to this section.

38 (3) This section expires June 30, ~~((2005))~~ 2008.

1        NEW SECTION.    **Sec. 3.**    This act is necessary for the immediate  
2 preservation of the public peace, health, or safety, or support of the  
3 state government and its existing public institutions, and takes effect  
4 July 1, 1999.

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