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HOUSE BILL 2273

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State of Washington                      57th Legislature 2001 Second Special Session

By Representatives Ericksen, Barlean, Linville, McMorris, Sump, Ahern  
and DeBolt

Read first time . Referred to Committee on .

1            AN ACT Relating to tax relief for certain smelters; adding a new  
2 section to chapter 82.04 RCW; adding a new section to chapter 82.08  
3 RCW; adding a new section to chapter 82.12 RCW; adding a new section to  
4 chapter 84.36 RCW; creating new sections; providing an effective date;  
5 and providing expiration dates.

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

7            NEW SECTION.    **Sec. 1.** The legislature finds that in some areas of  
8 the state the stability of the electrical transmission and distribution  
9 system depends on the consistent on-peak and off-peak load provided by  
10 large consumers of electrical power. The legislature finds that the  
11 increases in electrical rates threaten the business viability of these  
12 essential facilities. The tax exemptions in this act are intended to  
13 improve the business viability of these facilities so they can continue  
14 this vital service to the state.

15            NEW SECTION.    **Sec. 2.** A new section is added to chapter 82.04 RCW  
16 to read as follows:

17            (1) This chapter does not apply with respect to the gross income of  
18 the business proceeding or accruing from production activity at a

1 qualified smelter facility. For the purposes of this section,  
2 "qualified smelter facility" means a smelter which produces, or has  
3 produced, aluminum or magnesium where the direct current consumed is  
4 less than 6.5 kilowatt hours per pound of manufactured product.

5 (2) This section expires July 1, 2003.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.08 RCW  
7 to read as follows:

8 (1) A person who has paid tax under RCW 82.08.020 for tangible  
9 personal property used at a qualified smelter facility, or for services  
10 rendered with respect to structures and tangible personal property used  
11 at a qualified smelter facility, is eligible for an exemption from  
12 state tax in the form of a remittance, as provided in this section. A  
13 person claiming an exemption must pay the tax and may then apply to the  
14 department for remittance of retail sales tax paid under RCW 82.08.020.  
15 For the purposes of this section, "qualified smelter facility" has the  
16 meaning given in section 2 of this act.

17 (2) This section expires July 1, 2003.

18 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.12 RCW  
19 to read as follows:

20 (1) A person who has paid tax under RCW 82.12.020 for tangible  
21 personal property used at a qualified smelter facility is eligible for  
22 an exemption from state tax in the form of a remittance, as provided in  
23 this section. A person claiming an exemption must pay the tax and may  
24 then apply to the department for remittance of tax paid under RCW  
25 82.12.020. For the purposes of this section, "qualified smelter  
26 facility" has the meaning given in section 2 of this act.

27 (2) This section expires July 1, 2003.

28 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.36 RCW  
29 to read as follows:

30 (1) Real and personal property used directly in the operation of a  
31 qualified smelter facility is exempt from property taxes levied for any  
32 state purpose. For the purposes of this section, "qualified smelter  
33 facility" has the meaning given in section 2 of this act.

34 (2) This section expires January 1, 2004.

1        NEW SECTION.    **Sec. 6.**    Section 5 of this act applies to taxes  
2 levied for collection in 2002 and 2003.

3        NEW SECTION.    **Sec. 7.**    This act takes effect August 1, 2001.

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