
SENATE BILL 5540

State of Washington

57th Legislature

2001 Regular Session

By Senators Franklin, Eide, Regala, Fraser, Costa, Rasmussen, Patterson, Kline, Kohl-Welles, Winsley and Gardner; by request of Governor Locke

Read first time 01/25/2001. Referred to Committee on Environment, Energy & Water.

1 AN ACT Relating to public utility tax credits for home energy
2 assistance programs for low-income households; and adding a new
3 section to chapter 82.16 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.16
6 RCW to read as follows:

7 (1) Unless the context clearly requires otherwise, the
8 definitions in this subsection apply throughout this section.

9 (a) "Base credit" means the maximum amount of credit against
10 the tax imposed by this chapter that each light and power business
11 or gas distribution business may take each fiscal year as
12 calculated by the department. The base credit is equal to the
13 proportionate share that the total grants received by each light
14 and power business or gas distribution business in the prior
15 fiscal year bears to the total grants received by all light and
16 power businesses and gas distribution businesses in the prior
17 fiscal year multiplied by two million five hundred thousand
18 dollars.

1 (b) "Billing discount" means a reduction in the amount charged
2 for providing service to qualifying persons in Washington made by
3 a light and power business or a gas distribution business. Billing
4 discount does not include grants received by the light and power
5 business or a gas distribution business.

6 (c) "Grant" means funds provided to a light and power business
7 or gas distribution business by the department of community,
8 trade, and economic development or by an organization that
9 contracts with the department of community, trade, and economic
10 development, pursuant to the low-income home energy assistance
11 program.

12 (d) "Low-income home energy assistance program" means energy
13 assistance programs for low-income households as defined on
14 December 31, 2000, in the low-income home energy assistance act of
15 1981 as amended August 1, 1999, 42 U.S.C. Sec. 8623 et seq.

16 (e) "Qualifying person" means a Washington resident who applies
17 for assistance and qualifies for a grant regardless of whether
18 that person receives a grant.

19 (2) Subject to the limitations in this section, a light and
20 power business or a gas distribution business may take a credit
21 each fiscal year against the tax imposed under this chapter for
22 billing discounts that are equal to or greater than one hundred
23 twenty-five percent of the billing discounts given in fiscal year
24 2000. The amount of credit shall be fifty percent of the billing
25 discount, limited to the base credit for the same fiscal year.

26 (3) The total amount of credit, statewide, that may be taken in
27 any fiscal year shall not exceed two million five hundred thousand
28 dollars. By May 1st of each year starting in 2002, the department
29 of community, trade, and economic development shall notify the
30 department of revenue in writing of the grants received in the
31 current fiscal year by each light and power business and gas
32 distribution business.

33 (4)(a) Not later than June 1st of each year beginning in 2002,
34 the department shall publish the base credit for each light and
35 power business and gas distribution business for the next fiscal
36 year.

37 (b) Not later than July 1st of each year beginning in 2002,
38 application for credit must be made to the department including

1 but not limited to the following information: Billing discounts
2 given by the applicant in fiscal year 2000; the base credit for
3 the next fiscal year for the applicant; and billing discounts
4 anticipated to be given in the next fiscal year. No credit under
5 this section will be allowed to a light and power business or gas
6 distribution business that does not file the application by July
7 1st.

8 (c) Not later than August 1st of each year beginning in 2002,
9 the department shall notify each applicant of the amount of credit
10 that may be taken in that fiscal year.

11 (d) The balance of base credits not used by other light and
12 power businesses and gas distribution businesses shall be ratably
13 distributed to applicants under the formula in subsection (1)(a)
14 of this section. The total amount of credit that may be taken by an
15 applicant is the base credit plus any ratable portion of unused
16 base credit.

17 (5) The credit taken under this section is limited to the
18 amount of tax imposed under this chapter for the fiscal year. The
19 credit must be claimed in the fiscal year in which the billing
20 reduction is made. Any unused credit expires. Refunds shall not be
21 given in place of credits.

22 (6) No credit may be taken for billing discounts made before
23 July 1, 2001. Within two weeks of the effective date of this
24 section, the department of community, trade, and economic
25 development shall notify the department of revenue in writing of
26 the grants received in fiscal year 2001 by each light and power
27 business and gas distribution business. Within four weeks of the
28 effective date of this section, the department of revenue shall
29 publish the base credit for each light and power business and gas
30 distribution business for fiscal year 2002. Within eight weeks of
31 the effective date of this section, application to the department
32 must be made showing the information required in subsection (4)(b)
33 of this section. Within twelve weeks of the effective date of this
34 section, the department shall notify each applicant of the amount
35 of credit that may be taken in fiscal year 2002.

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