
SUBSTITUTE SENATE BILL 5541

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Environment, Energy & Water (originally sponsored by Senators Jacobsen, Eide, Patterson, Fraser, Regala, Kline, Spanel, Kohl-Welles, Roach and Winsley; by request of Governor Locke)

READ FIRST TIME 02/16/01.

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

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

7 **Sec. 1.** RCW 82.08.02567 and 1999 c 358 s 4 are each amended to
8 read as follows:

9 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
10 machinery and equipment used directly in generating electricity
11 using wind, fuel cells, biomass waste, sun, or landfill gas as the
12 principal source of power, or to sales of or charges made for
13 labor and services rendered in respect to installing such
14 machinery and equipment, but only if the purchaser develops with
15 such machinery, equipment, and labor a facility capable of
16 generating not less than two hundred ((kilowatts)) watts of
17 electricity and provides the seller with an exemption certificate

1 in a form and manner prescribed by the department (~~by rule~~). The
2 seller shall retain a copy of the certificate for the seller's
3 files.

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

5 (a) "Landfill gas" means biomass fuel of the type qualified for
6 federal tax credits under 26 U.S.C. Sec. 29 collected from a
7 landfill. "Landfill" means a landfill as defined under RCW
8 70.95.030;

9 (b) "Machinery and equipment" means industrial fixtures,
10 devices, and support facilities that are integral and necessary to
11 the generation of electricity using wind, fuel cells, biomass
12 waste, sun, or landfill gas as the principal source of power;

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

22 (d) Machinery and equipment is "used directly" in generating
23 electricity with fuel cells or by wind energy, solar energy, or
24 landfill gas power or biomass waste power, if it provides any part
25 of the process that captures the energy of the wind, biomass
26 waste, sun, or landfill gas, converts that energy to electricity,
27 and stores, transforms, or transmits that electricity for entry
28 into or operation in parallel with electric transmission and
29 distribution systems;

30 (e) "Fuel cell" means an electrochemical reaction that
31 generates electricity by combining atoms of hydrogen and oxygen in
32 the presence of a catalyst;

33 (f) "Biomass waste" means organic materials such as animal
34 waste, food processing waste, wood and agricultural residues,
35 sewage, and municipal solid waste.

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

37

1 **Sec. 2.** RCW 82.12.02567 and 1999 c 358 s 10 are each amended to
2 read as follows:

3 (1) The provisions of this chapter shall not apply with respect
4 to machinery and equipment used directly in generating not less
5 than two hundred ((kilowatts)) watts of electricity using wind,
6 fuel cells, biomass waste, sun, or landfill gas as the principal
7 source of power.

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

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

10 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of
12 the state government and its existing public institutions, and
13 takes effect July 1, 2001.

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