CERTIFICATION OF ENROLLMENT

HOUSE BILL 1859

Chapter 213, Laws of 2001

57th Legislature
2001 Regular Legislative Session

TAXATION--ELECTRIC GENERATING FACILITIES

EFFECTIVE DATE: 7/1/01

Passed by the House March 13, 2001
Yeas 93  Nays 0

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate April 9, 2001
Yeas 47  Nays 0

BRAD OWEN
President of the Senate

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is HOUSE BILL 1859 as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

CYNTHIA ZEHNDER
Chief Clerk

Approved May 8, 2001

GARY F. LOCKE
Governor of the State of Washington

FILED
May 8, 2001 - 11:00 a.m.

BRAD OWEN
President of the Senate
AN ACT Relating to exempting electric generating facilities using wind, solar energy, landfill gas, or fuel cells from sales and use taxes; amending RCW 82.08.02567 and 82.12.02567; providing an effective date; providing expiration dates; and declaring an emergency.

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

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

(1) The tax levied by RCW 82.08.020 shall not apply to sales of machinery and equipment used directly in generating electricity using fuel cells, wind, sun, or landfill gas as the principal source of power, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not less than two hundred ((kilowatts)) watts of electricity and provides the seller with an exemption certificate in a form and manner prescribed by the department ((by rule)). The seller shall retain a copy of the certificate for the seller’s files.

(2) For purposes of this section and RCW 82.12.02567:
(a) "Landfill gas" means biomass fuel of the type qualified for federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill. "Landfill" means a landfill as defined under RCW 70.95.030;

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

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

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

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

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

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

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

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

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

NEW SECTION. Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the
state government and its existing public institutions, and takes effect
July 1, 2001.
Passed the Senate April 9, 2001.
Approved by the Governor May 8, 2001.
Filed in Office of Secretary of State May 8, 2001.