**2157-S2 AMH CHAB H3115.1 - NOT FOR FLOOR USE**

**2SHB 2157** - H AMD **819**

By Representative Chandler

**NOT CONSIDERED 12/23/2019**

On page 33, after line 18, insert the following:

**"Part VII**

**Clarifying the Applicability of Business and Occupation Tax to Amounts Received as Credits from the Bonneville Power Administration**

**Sec.**  RCW 82.04.310 and 2014 c 216 s 302 are each amended to read as follows:

(1) This chapter does not apply to any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of chapter 82.16 RCW including amounts derived from activities for which a deduction is allowed under RCW 82.16.050. The exemption in this subsection does not apply to sales of natural gas, including compressed natural gas and liquefied natural gas, by a gas distribution business, if such sales are exempt from the tax imposed under chapter 82.16 RCW as provided in RCW 82.16.310.

(2) This chapter does not apply to amounts received by any person for the sale of electrical energy for resale within or outside the state.

(3)(a) This chapter does not apply to amounts received by any person for the sale of natural or manufactured gas in a calendar year if that person sells within the United States a total amount of natural or manufactured gas in that calendar year that is no more than twenty percent of the amount of natural or manufactured gas that it consumes within the United States in the same calendar year.

(b) For purposes of determining whether a person has sold within the United States a total amount of natural or manufactured gas in a calendar year that is no more than twenty percent of the amount of natural or manufactured gas that it consumes within the United States in the same calendar year, the following transfers of gas are not considered to be the sale of natural or manufactured gas:

(i) The transfer of any natural or manufactured gas as a result of the acquisition of another business, through merger or otherwise; or

(ii) The transfer of any natural or manufactured gas accomplished solely to comply with federal regulatory requirements imposed on the pipeline transportation of such gas when it is shipped by a third-party manager of a person's pipeline transportation.

(4) Until January 1, 2029, this chapter does not apply to amounts received by any person in the form of credits against power contracts with the Bonneville power administration, or funds provided by the Bonneville power administration, for the purpose of implementing energy conservation programs or demand-side management programs, so long as the amount that would otherwise be owed under this chapter is used for purposes of low-income ratepayer assistance or weatherization. Utilities must give priority to uses of funds that permanently lower energy costs for low-income ratepayers. The funds generated for low-income ratepayer assistance under this subsection must be additive to and not supplant any existing funds used by the utility for low-income ratepayer assistance."

Renumber the remaining part and sections consecutively, correct any internal references accordingly, and correct the title.

On page 33, line 24, after "IV," strike "and V" and insert "V, and VII"

On page 33, line 25, after "IV," strike "and VI" and insert "VI, and VII"

EFFECT: Exempts amounts received in the form of credits against power contracts with the Bonneville power administration or funds provided by the Bonneville power administration for purposes of implementing energy conservation programs or demand-side management programs if certain conditions are met.