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SENATE BILL 6598

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State of Washington                      61st Legislature                      2010 Regular Session

By Senators Kastama, Rockefeller, and Ranker

Read first time 01/18/10. Referred to Committee on Economic Development, Trade & Innovation.

1            AN ACT Relating to requiring leadership in energy and environmental  
2 design standards for certain excise tax credit eligibility; amending  
3 RCW 82.60.040, 82.60.030, 82.63.030, 82.74.030, 82.75.030, and  
4 82.82.030; repealing RCW 82.60.050; and providing expiration dates.

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

6            **Sec. 1.** RCW 82.60.040 and 2004 c 25 s 4 are each amended to read  
7 as follows:

8            (1) Subject to subsection (2) of this section, the department  
9 ((shall)) must issue a sales and use tax deferral certificate for state  
10 and local sales and use taxes due under chapters 82.08, 82.12, and  
11 82.14 RCW on each eligible investment project that is located in an  
12 eligible area as defined in RCW 82.60.020.

13            (2) The department must issue a certificate under subsection (1) of  
14 this section to defer:

15            (a) One hundred percent of sales and use taxes due under chapters  
16 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
17 buildings within the eligible investment project has received a  
18 platinum rating under the United States' green building council's

1 leadership in energy and environmental design 2009 new construction and  
2 major renovation rating system, as determined by the department of  
3 commerce;

4 (b) Seventy-five percent of sales and use taxes due under chapters  
5 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
6 buildings within the eligible investment project has received at least  
7 a gold rating under the United States' green building council's  
8 leadership in energy and environmental design 2009 new construction and  
9 major renovation rating system, as determined by the department of  
10 commerce;

11 (c) Fifty percent of sales and use taxes due under chapters 82.08,  
12 82.12, and 82.14 RCW, only if the construction of all qualified  
13 buildings within the eligible investment project has received at least  
14 a silver rating under the United States' green building council's  
15 leadership in energy and environmental design 2009 new construction and  
16 major renovation rating system, as determined by the department of  
17 commerce; and

18 (d) Twenty-five percent of sales and use taxes due under chapters  
19 82.08, 82.12, and 82.14 RCW, if the construction of all qualified  
20 buildings within the eligible investment project has not received at  
21 least a silver rating under the United States' green building council's  
22 leadership in energy and environmental design 2009 new construction and  
23 major renovation rating system, as determined by the department of  
24 commerce.

25 (3) The department (~~shall~~) must keep a running total of all  
26 deferrals granted under this chapter during each fiscal biennium.

27 (~~(3)~~) (4) This section expires July 1, (~~2010~~) 2012.

28 **Sec. 2.** RCW 82.60.030 and 1994 sp.s. c 1 s 2 are each amended to  
29 read as follows:

30 (1) Application for deferral of taxes under this chapter must be  
31 made before initiation of the construction of the investment project or  
32 acquisition of equipment or machinery. The application (~~shall~~) must  
33 be made to the department in a form and manner prescribed by the  
34 department. The application (~~shall~~) must contain information  
35 regarding the location of the investment project, the applicant's  
36 average employment in the state for the prior year, estimated or actual  
37 new employment related to the project, estimated or actual wages of

1 employees related to the project, estimated or actual costs, time  
2 schedules for completion and operation, and other information required  
3 by the department. The department (~~shall~~) must rule on the  
4 application within sixty days.

5 (2) This section expires July 1, 2012.

6 **Sec. 3.** RCW 82.63.030 and 2008 c 15 s 4 are each amended to read  
7 as follows:

8 (1) (~~Except as provided in subsection (2)~~) Subject to the  
9 conditions of this section, the department (~~shall~~) must issue a sales  
10 and use tax deferral certificate for state and local sales and use  
11 taxes due under chapters 82.08, 82.12, and 82.14 RCW on each eligible  
12 investment project.

13 (2) The department must issue a certificate under subsection (1) of  
14 this section to defer:

15 (a) One hundred percent of sales and use taxes due under chapters  
16 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
17 buildings within the eligible investment project has received a  
18 platinum rating under the United States' green building council's  
19 leadership in energy and environmental design 2009 new construction and  
20 major renovation rating system, as determined by the department of  
21 commerce;

22 (b) Seventy-five percent of sales and use taxes due under chapters  
23 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
24 buildings within the eligible investment project has received at least  
25 a gold rating under the United States' green building council's  
26 leadership in energy and environmental design 2009 new construction and  
27 major renovation rating system, as determined by the department of  
28 commerce;

29 (c) Fifty percent of sales and use taxes due under chapters 82.08,  
30 82.12, and 82.14 RCW, only if the construction of all qualified  
31 buildings within the eligible investment project has received at least  
32 a silver rating under the United States' green building council's  
33 leadership in energy and environmental design 2009 new construction and  
34 major renovation rating system, as determined by the department of  
35 commerce; and

36 (d) Twenty-five percent of sales and use taxes due under chapters  
37 82.08, 82.12, and 82.14 RCW, if the construction of all qualified

1 buildings within the eligible investment project has not received at  
2 least a silver rating under the United States' green building council's  
3 leadership in energy and environmental design 2009 new construction and  
4 major renovation rating system, as determined by the department of  
5 commerce.

6 (3) No certificate may be issued for an investment project that has  
7 already received a deferral under chapter 82.60 RCW or this chapter,  
8 except that an investment project for qualified research and  
9 development that has already received a deferral may also receive an  
10 additional deferral certificate for adapting the investment project for  
11 use in pilot scale manufacturing.

12 ((+3)) (4) This section ((shall)) expires January 1, 2015.

13 **Sec. 4.** RCW 82.74.030 and 2006 c 354 s 7 are each amended to read  
14 as follows:

15 (1) Subject to subsection (2) of this section, the department  
16 ((shall)) must issue a sales and use tax deferral certificate for state  
17 and local sales and use taxes imposed or authorized under chapters  
18 82.08, 82.12, and 82.14 RCW on each eligible investment project if the  
19 investment project is undertaken for the purpose of fresh fruit and  
20 vegetable processing, dairy product manufacturing, seafood product  
21 manufacturing, cold storage warehousing, or research and development.

22 (2) The department must issue a certificate under subsection (1) of  
23 this section to defer:

24 (a) One hundred percent of sales and use taxes due under chapters  
25 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
26 buildings within the eligible investment project has received a  
27 platinum rating under the United States' green building council's  
28 leadership in energy and environmental design 2009 new construction and  
29 major renovation rating system, as determined by the department of  
30 commerce;

31 (b) Seventy-five percent of sales and use taxes due under chapters  
32 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
33 buildings within the eligible investment project has received at least  
34 a gold rating under the United States' green building council's  
35 leadership in energy and environmental design 2009 new construction and  
36 major renovation rating system, as determined by the department of  
37 commerce;

1 (c) Fifty percent of sales and use taxes due under chapters 82.08,  
2 82.12, and 82.14 RCW, only if the construction of all qualified  
3 buildings within the eligible investment project has received at least  
4 a silver rating under the United States' green building council's  
5 leadership in energy and environmental design 2009 new construction and  
6 major renovation rating system, as determined by the department of  
7 commerce; and

8 (d) Twenty-five percent of sales and use taxes due under chapters  
9 82.08, 82.12, and 82.14 RCW, if the construction of all qualified  
10 buildings within the eligible investment project has not received at  
11 least a silver rating under the United States' green building council's  
12 leadership in energy and environmental design 2009 new construction and  
13 major renovation rating system, as determined by the department of  
14 commerce.

15 (3) This section expires July 1, 2012.

16 **Sec. 5.** RCW 82.75.030 and 2006 c 178 s 4 are each amended to read  
17 as follows:

18 (1) Subject to subsection (2) of this section, the department  
19 ((shall)) must issue a sales and use tax deferral certificate for state  
20 and local sales and use taxes due under chapters 82.08, 82.12, and  
21 82.14 RCW for each eligible investment project.

22 (2) The department must issue a certificate under subsection (1) of  
23 this section to defer:

24 (a) One hundred percent of sales and use taxes due under chapters  
25 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
26 buildings within the eligible investment project has received a  
27 platinum rating under the United States' green building council's  
28 leadership in energy and environmental design 2009 new construction and  
29 major renovation rating system, as determined by the department of  
30 commerce;

31 (b) Seventy-five percent of sales and use taxes due under chapters  
32 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
33 buildings within the eligible investment project has received at least  
34 a gold rating under the United States' green building council's  
35 leadership in energy and environmental design 2009 new construction and  
36 major renovation rating system, as determined by the department of  
37 commerce;

1 (c) Fifty percent of sales and use taxes due under chapters 82.08,  
2 82.12, and 82.14 RCW, only if the construction of all qualified  
3 buildings within the eligible investment project has received at least  
4 a silver rating under the United States' green building council's  
5 leadership in energy and environmental design 2009 new construction and  
6 major renovation rating system, as determined by the department of  
7 commerce; and

8 (d) Twenty-five percent of sales and use taxes due under chapters  
9 82.08, 82.12, and 82.14 RCW, if the construction of all qualified  
10 buildings within the eligible investment project has not received at  
11 least a silver rating under the United States' green building council's  
12 leadership in energy and environmental design 2009 new construction and  
13 major renovation rating system, as determined by the department of  
14 commerce.

15 (3) No certificate may be issued for an investment project that has  
16 already received a deferral under chapter 82.60 or 82.63 RCW or this  
17 chapter.

18 ~~((+3))~~ (4) The department ~~((shall))~~ must keep a running total of  
19 all deferrals granted under this chapter during each fiscal biennium.

20 ~~((+4))~~ (5) This section expires January 1, 2017.

21 **Sec. 6.** RCW 82.82.030 and 2008 c 15 s 3 are each amended to read  
22 as follows:

23 (1) Subject to the conditions of this section, the department must  
24 issue a sales and use tax deferral certificate for state and local  
25 sales and use taxes due under chapters 82.08, 82.12, and 82.14 RCW on  
26 each eligible investment project meeting the requirements of this  
27 chapter.

28 (2) The department must issue a certificate under subsection (1) of  
29 this section to defer:

30 (a) One hundred percent of sales and use taxes due under chapters  
31 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
32 buildings within the eligible investment project has received a  
33 platinum rating under the United States' green building council's  
34 leadership in energy and environmental design 2009 new construction and  
35 major renovation rating system, as determined by the department of  
36 commerce;

1        (b) Seventy-five percent of sales and use taxes due under chapters  
2 82.08, 82.12, and 82.14 RCW, only if the construction of all qualified  
3 buildings within the eligible investment project has received at least  
4 a gold rating under the United States' green building council's  
5 leadership in energy and environmental design 2009 new construction and  
6 major renovation rating system, as determined by the department of  
7 commerce;

8        (c) Fifty percent of sales and use taxes due under chapters 82.08,  
9 82.12, and 82.14 RCW, only if the construction of all qualified  
10 buildings within the eligible investment project has received at least  
11 a silver rating under the United States' green building council's  
12 leadership in energy and environmental design 2009 new construction and  
13 major renovation rating system, as determined by the department of  
14 commerce; and

15        (d) Twenty-five percent of sales and use taxes due under chapters  
16 82.08, 82.12, and 82.14 RCW, if the construction of all qualified  
17 buildings within the eligible investment project has not received at  
18 least silver rating under the United States' green building council's  
19 leadership in energy and environmental design 2009 new construction and  
20 major renovation rating system, as determined by the department of  
21 commerce.

22        (3) No certificate may be issued for an investment project that has  
23 already received a deferral under chapter 82.60 or 82.63 RCW or this  
24 chapter, except that an investment project for qualified research and  
25 development that has already received a deferral may also receive an  
26 additional deferral certificate for adapting the investment project for  
27 use in pilot scale manufacturing.

28        ~~((+3))~~ (4) The department must keep a running total of all  
29 deferrals granted under this chapter during each fiscal biennium.

30        ~~((+4))~~ (5) The number of eligible investment projects for which  
31 the benefits of this chapter will be allowed is limited to two per  
32 biennium. The department must approve deferral certificates for  
33 completed applications on a first in-time basis. During any biennium,  
34 only one deferral certificate may be issued per community empowerment  
35 zone.

36        NEW SECTION. Sec. 7. RCW 82.60.050 (Expiration of RCW 82.60.030

1 and 82.60.040) and 2004 c 25 s 6, 1994 sp.s. c 1 s 7, 1993 sp.s. c 25  
2 s 404, 1988 c 41 s 5, & 1985 c 232 s 10 are each repealed.

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