
SENATE BILL 5114

State of Washington

64th Legislature

2015 Regular Session

By Senator Brown

Read first time 01/14/15. Referred to Committee on Energy,
Environment & Telecommunications.

1 AN ACT Relating to providing incentives for production of modular
2 reactors; adding a new section to chapter 82.08 RCW; adding a new
3 section to chapter 82.12 RCW; creating a new section; and providing
4 an effective date.

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

6 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
7 performance statement for the tax preference contained in section 2
8 of this act. This performance statement is only intended to be used
9 for subsequent evaluation of the tax preference. It is not intended
10 to create a private right of action by any party or be used to
11 determine eligibility for preferential tax treatment.

12 (2) The legislature categorizes this tax preference as one
13 intended to create or retain jobs, as indicated in RCW
14 82.32.808(2)(c).

15 (3) It is the legislature's specific public policy objective to
16 retain or increase the number of jobs in the modular reactor industry
17 in Washington. It is the legislature's intent to exempt from the tax
18 levied by RCW 82.08.020 the production of modular reactors including
19 construction materials, machinery, and equipment, or tangible
20 personal property that becomes an ingredient or component of modular
21 reactors, thereby increasing the ability of these firms to invest in

1 and expand their Washington operations, thereby increasing the number
2 of jobs in the modular reactor industry in Washington.

3 (4) If a review finds that the number of jobs in the modular
4 reactor industry in Washington has increased by ten percent compared
5 to the number of those jobs at the time of enactment, then the
6 legislature intends to extend the expiration date of the tax
7 preference.

8 (5) In order to obtain the data necessary to perform the review
9 in subsection (4) of this section, the joint legislative audit and
10 review committee may refer to:

11 (a) The annual survey that a taxpayer reporting under the tax
12 rate provided in section 2 of this act must file with the department
13 of revenue per RCW 82.32.585; and

14 (b) Employment data available from the employment security
15 department.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08
17 RCW to read as follows:

18 (1) Subject to the provisions of this section, the tax levied by
19 RCW 82.08.020 does not apply to production of modular reactors
20 including sales of modular reactor construction materials, machinery,
21 and equipment, or to sales of tangible personal property that becomes
22 an ingredient or component of modular reactors.

23 (2) The definitions in this section apply throughout this section
24 unless the context clearly requires otherwise.

25 (a) "Modular reactor construction materials, machinery, and
26 equipment" means all construction materials and equipment necessary
27 to produce a modular reactor, including but not limited to concrete,
28 steel, piping, valves, electrical equipment, wire, cable, conduit,
29 mechanical equipment, pumps, turbines, transformers, and safety
30 systems.

31 (b) "Modular reactor" means a scalable nuclear power plant using
32 reactors that each have a gross power output no greater than fifty
33 megawatts electric where each reactor is:

34 (i) Designed for factory manufacturing and ease of transport,
35 such as by truck, rail, or barge; and

36 (ii) Installed in its own isolated bay in a reactor building that
37 may contain no more than twelve reactors.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12
2 RCW to read as follows:

3 (1) The provisions of this chapter do not apply to the production
4 of modular reactors or to the use of tangible personal property that
5 becomes an ingredient or component of a modular reactor.

6 (2) The definitions in section 2 of this act apply to this
7 section.

8 NEW SECTION. **Sec. 4.** This act takes effect August 1, 2015.

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