

E2SSB 5116 - H AMD TO APP COMM AMD (H-2810.1/19) **606**

By Representative Steele

NOT ADOPTED 04/11/2019

1 On page 40, line 4, after "resources," insert "hydropower,"

2 On page 40, after line 18, insert the following:

3 "(e) "Rural county" means a county with a population density of
4 less than one hundred persons per square mile or a county smaller
5 than two hundred twenty-five square miles as determined by the office
6 of financial management and published each year by the department for
7 the period July 1st to June 30th."

8 On page 40, line 21, after "resources," insert "hydropower,"

9 On page 41, line 39, after "(7)" insert "(a) Subject to the
10 requirements of this subsection, the tax imposed by RCW 82.08.020
11 does not apply to sales of machinery and equipment used directly in
12 generating electricity using hydropower, or to sales of or charges
13 made for labor and services rendered in respect to installing such
14 machinery and equipment, but only if the purchaser develops with such
15 machinery, equipment, and labor a facility capable of generating not
16 less than one thousand watts AC of electricity and only if the
17 facility is located in a rural county. Except as otherwise provided
18 in this subsection, the purchaser must pay the state and local sales
19 tax on such sales and apply to the department for a remittance of the
20 tax paid.

21 (i) Beginning January 1, 2020, through December 31, 2024, the
22 purchaser is entitled to an exemption, in the form of a remittance,
23 under this subsection (7)(a)(i) in an amount equal to fifty percent
24 of the state and local sales tax paid. In order to qualify for the
25 remittance under this subsection (7)(a)(i), installation of the
26 qualifying machinery and equipment must commence no earlier than
27 January 1, 2020, and be completed by December 31, 2024.

28 (ii) Beginning January 1, 2025, through December 31, 2029, the
29 purchaser is entitled to an exemption, in the form of a remittance,
30 under this subsection (7)(a)(ii) in an amount equal to one hundred
31 percent of the state and local sales tax paid. In order to qualify

1 for the remittance under this subsection (7)(a)(ii), installation of
2 the qualifying machinery and equipment must commence no earlier than
3 January 1, 2025, and be completed by December 31, 2029.

4 (b) A purchaser claiming an exemption in the form of a remittance
5 under this subsection must pay the tax imposed by RCW 82.08.020 and
6 all applicable local sales taxes imposed under the authority of
7 chapters 82.14 and 81.104 RCW. The purchaser may then apply to the
8 department for remittance in a form and manner prescribed by the
9 department. A purchaser may not apply for a remittance under this
10 subsection more frequently than once per quarter. The purchaser must
11 specify the amount of exempted tax claimed and the qualifying
12 purchases for which the exemption is claimed. The purchaser must
13 retain, in adequate detail, records to enable the department to
14 determine whether the purchaser is entitled to an exemption under
15 this section, including: Invoices; proof of tax paid; and documents
16 describing the machinery and equipment.

17 (c) The department must determine eligibility under this
18 subsection based on the information provided by the purchaser, which
19 is subject to audit verification by the department. The department
20 must, on a quarterly basis, remit exempted amounts to qualifying
21 purchasers who submitted applications during the previous quarter.

22 (8)"

23 On page 46, line 19, after "(8)" insert "(a) Subject to the
24 requirements of this subsection, the tax imposed by RCW 82.12.020
25 does not apply to machinery and equipment used directly in generating
26 electricity using hydropower, or to labor and services rendered in
27 respect to installing such machinery and equipment, but only if the
28 purchaser develops with such machinery, equipment, and labor a
29 facility capable of generating not less than one thousand watts AC of
30 electricity and only if the facility is located in a rural county.
31 Except as otherwise provided in this subsection, the consumer must
32 pay the state and local use tax on the use of such machinery and
33 equipment and labor and services, and apply to the department for a
34 remittance of the tax paid.

35 (i) Beginning January 1, 2020, through December 31, 2024, the
36 purchaser is entitled to an exemption, in the form of a remittance,
37 under this subsection (8)(a)(i) in an amount equal to fifty percent
38 of the state and local use tax paid. In order to qualify for the
39 remittance under this subsection (8)(a)(i), installation of the

1 qualifying machinery and equipment must commence no earlier than
2 January 1, 2020, and be completed by December 31, 2024.

3 (ii) Beginning January 1, 2025, through December 31, 2029, the
4 purchaser is entitled to an exemption, in the form of a remittance,
5 under this subsection (8)(a)(ii) in an amount equal to one hundred
6 percent of the state and local use tax paid. In order to qualify for
7 the remittance under this subsection (8)(a)(ii), installation of the
8 qualifying machinery and equipment must commence no earlier than
9 January 1, 2025, and be completed by December 31, 2029.

10 (b) A person claiming an exemption in the form of a remittance
11 under this subsection must pay the tax imposed by RCW 82.12.020 and
12 all applicable local use taxes imposed under the authority of
13 chapters 82.14 and 81.104 RCW. The consumer may then apply to the
14 department for remittance in a form and manner prescribed by the
15 department. A consumer may not apply for a remittance under this
16 subsection more frequently than once per quarter. The consumer must
17 specify the amount of exempted tax claimed and the qualifying
18 purchases or acquisitions for which the exemption is claimed. The
19 consumer must retain, in adequate detail, records to enable the
20 department to determine whether the consumer is entitled to an
21 exemption under this section, including: Invoices; proof of tax paid;
22 and documents describing the machinery and equipment.

23 (c) The department must determine eligibility for remittances
24 under this subsection based on the information provided by the
25 consumer, which is subject to audit verification by the department.
26 The department must, on a quarterly basis, remit exempted amounts to
27 qualifying consumers who submitted applications during the previous
28 quarter.

29 (9) "

EFFECT: Provides a sales and use tax exemption, in the form of a remittance, for machinery and equipment used directly in generating electricity using hydropower, 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 one thousand watts AC of electricity and only if the facility is located in a rural county. Increases the sales and use tax exemption for machinery and equipment used directly in generating electricity using hydropower from 50 percent of the sales and use tax paid from January 1, 2020, through December 31, 2024, to 100 percent

beginning January 1, 2025, through December 31, 2029. Defines "rural county."

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