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HOUSE BILL 2387

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State of Washington

52nd Legislature

1992 Regular Session

By Representatives Chandler, R. Meyers, Nealey, Rasmussen, McLean, R. Fisher, Hochstatter, Ferguson, Prince and Moyer

Read first time 01/16/92. Referred to Committee on Revenue.

1 AN ACT Relating to tax exemptions for alcohol fuel production; and  
2 amending RCW 82.04.325, 82.29A.135, and 84.36.490.

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

4 **Sec. 1.** RCW 82.04.325 and 1985 c 371 s 2 are each amended to read  
5 as follows:

6 The tax imposed by RCW 82.04.270(1) does not apply to any person  
7 who manufactures alcohol with respect to sales of said alcohol to be  
8 used in the production of gasohol for use as motor vehicle fuel, nor  
9 with respect to sales of gasohol for use as motor vehicle fuel. As  
10 used in this section, "motor vehicle fuel" has the meaning given in RCW  
11 82.36.010(2), and "gasohol" means motor vehicle fuel which contains  
12 more than nine and one-half percent alcohol by volume. This RCW  
13 section shall expire December 31, (~~1992~~) 1999.

1       **Sec. 2.** RCW 82.29A.135 and 1985 c 371 s 3 are each amended to read  
2 as follows:

3       (1) For the purposes of this section, "alcohol fuel" means any  
4 alcohol made from a product other than petroleum or natural gas, which  
5 is used alone or in combination with gasoline or other petroleum  
6 products for use as a fuel for motor vehicles, farm implements and  
7 machines or implements of husbandry.

8       (2) All leasehold interests in buildings, machinery, equipment, and  
9 other personal property which is used primarily for the manufacturing  
10 of alcohol fuel, the land upon which such property is located, and land  
11 that is reasonably necessary in the manufacturing of alcohol fuel, but  
12 not land necessary for growing of crops, which together comprise a new  
13 alcohol manufacturing facility or an addition to an existing alcohol  
14 manufacturing facility, are exempt from leasehold taxes for a period of  
15 six years from the date on which the facility or the addition to the  
16 existing facility becomes operational.

17       For alcohol manufacturing facilities which produce alcohol for use  
18 as alcohol fuel and alcohol used for other purposes, the amount of the  
19 leasehold tax exemption shall be based upon an annually determined  
20 percentage of the total gallons of alcohol produced that is sold and  
21 used as alcohol fuel.

22       (3) Claims for exemptions authorized by this section shall be filed  
23 with the department of revenue on forms prescribed by the department of  
24 revenue and furnished by the department of revenue. Once filed, the  
25 exemption is valid for six years and shall not be renewed. The  
26 department of revenue shall verify and approve such claims as the  
27 department of revenue determines to be justified and in accordance with  
28 this section. No claims may be filed after December 31, (~~(1992)~~) 1999.

1       The department of revenue may promulgate such rules, pursuant to  
2 chapter 34.05 RCW, as are necessary to properly administer this  
3 section.

4       **Sec. 3.** RCW 84.36.490 and 1985 c 371 s 7 are each amended to read  
5 as follows:

6       (1) For the purposes of this section, "alcohol fuel" means any  
7 alcohol made from a product other than petroleum or natural gas, which  
8 is used alone or in combination with gasoline or other petroleum  
9 products for use as a fuel for motor vehicles, farm implements and  
10 machines or implements of husbandry.

11       (2) All buildings, machinery, equipment, and other personal  
12 property which is used primarily for the manufacturing of alcohol fuel,  
13 the land upon which such property is located, and land that is  
14 reasonably necessary in the manufacturing of alcohol fuel, but not land  
15 necessary for growing of crops, which together comprise a new alcohol  
16 manufacturing facility or an addition to an existing alcohol  
17 manufacturing facility, are exempt from property taxation for the six  
18 assessment years following the date on which the facility or the  
19 addition to the existing facility becomes operational.

20       For alcohol manufacturing facilities which produce alcohol for use  
21 as alcohol fuel and alcohol used for other purposes, the amount of the  
22 property tax exemption shall be based upon an annually determined  
23 percentage of the total gallons of alcohol produced that is sold or  
24 used as alcohol fuel.

25       (3) Claims for exemptions authorized by this section shall be filed  
26 with the county assessor on forms prescribed by the department of  
27 revenue and furnished by the assessor. Once filed, the exemption is  
28 valid for six years and shall not be renewed. The assessor shall  
29 verify and approve such claims as the assessor determines to be

1 justified and in accordance with this section. No claims may be filed  
2 after December 31, (~~1992~~) 1999.

3 The department of revenue may promulgate such rules, pursuant to  
4 chapter 34.05 RCW, as are necessary to properly administer this  
5 section.