

1405-S2

Sponsor(s): House Committee on Finance (originally sponsored by Representatives Anderson, Poulsen, Crouse, Linville, Kagi, Hatfield, Van Luven, Cooper, O'Brien, Campbell, Roach, Bush, Lisk, Berkey, Miloscia and Kessler; by request of Governor Locke)

Brief Description: Extending the public utility tax deduction for cogeneration.

**HB 1405-S2 - DIGEST**

(DIGEST OF PROPOSED 2ND SUBSTITUTE)

Provides that, in computing tax under chapter 82.16 RCW there shall be deducted from the gross income an amount equal to the cost of production at the plant for consumption within the state of Washington of electrical energy produced or generated from cogeneration at new or expanded cogeneration facilities.

Applies only to the amount of electrical energy produced at a new or expanded cogeneration facility on which construction or installation begins after June 30, 2001, and before January 1, 2001.

Does not apply to:

- (1) A cogeneration facility fueled by diesel; or
- (2) A cogeneration facility that has a combined fuel conversion efficiency of less than sixty percent, unless the cogeneration facility is used to improve the operating efficiency of a facility that produces electrical energy through biomass generation as defined in RCW 19.29A.010, in which case this section applies unless the cogeneration facility has a combined fuel conversion efficiency of less than forty percent.