

CERTIFICATION OF ENROLLMENT

HOUSE BILL 3188

Chapter 237, Laws of 2008

60th Legislature
2008 Regular Session

WASTE VEGETABLE OIL--TAX EXEMPTION

EFFECTIVE DATE: 07/01/08

Passed by the House February 19, 2008
Yeas 94 Nays 1

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 11, 2008
Yeas 49 Nays 0

BRAD OWEN

President of the Senate

Approved March 28, 2008, 11:05 a.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 3188** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 28, 2008

**Secretary of State
State of Washington**

HOUSE BILL 3188

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By Representatives Roach, Hurst, McCune, and Dunn

Read first time 01/23/08. Referred to Committee on Finance.

1 AN ACT Relating to exempting waste vegetable oil from excise tax;
2 amending RCW 82.38.080; adding a new section to chapter 82.08 RCW;
3 adding a new section to chapter 82.12 RCW; and providing an effective
4 date.

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

6 **Sec. 1.** RCW 82.38.080 and 1998 c 176 s 60 are each amended to read
7 as follows:

8 (1) There is exempted from the tax imposed by this chapter, the use
9 of fuel for:

10 (a) Street and highway construction and maintenance purposes in
11 motor vehicles owned and operated by the state of Washington, or any
12 county or municipality;

13 (b) Publicly owned fire fighting equipment;

14 (c) Special mobile equipment as defined in RCW 46.04.552;

15 (d) Power pumping units or other power take-off equipment of any
16 motor vehicle which is accurately measured by metering devices that
17 have been specifically approved by the department or which is
18 established by any of the following formulae:

1 (i) Pumping propane, or fuel or heating oils or milk picked up from
2 a farm or dairy farm storage tank by a power take-off unit on a
3 delivery truck, at a rate determined by the department: PROVIDED, That
4 claimant when presenting his or her claim to the department in
5 accordance with this chapter, shall provide to the claim, invoices of
6 propane, or fuel or heating oil delivered, or such other appropriate
7 information as may be required by the department to substantiate his or
8 her claim;

9 (ii) Operating a power take-off unit on a cement mixer truck or a
10 load compactor on a garbage truck at the rate of twenty-five percent of
11 the total gallons of fuel used in such a truck; or

12 (iii) The department is authorized to establish by rule additional
13 formulae for determining fuel usage when operating other types of
14 equipment by means of power take-off units when direct measurement of
15 the fuel used is not feasible. The department is also authorized to
16 adopt rules regarding the usage of on board computers for the
17 production of records required by this chapter;

18 (e) Motor vehicles owned and operated by the United States
19 government;

20 (f) Heating purposes;

21 (g) Moving a motor vehicle on a public highway between two pieces
22 of private property when said moving is incidental to the primary use
23 of the motor vehicle;

24 (h) Transportation services for persons with special transportation
25 needs by a private, nonprofit transportation provider regulated under
26 chapter 81.66 RCW;

27 (i) Vehicle refrigeration units, mixing units, or other equipment
28 powered by separate motors from separate fuel tanks; (~~and~~)

29 (j) The operation of a motor vehicle as a part of or incidental to
30 logging operations upon a highway under federal jurisdiction within the
31 boundaries of a federal area if the federal government requires a fee
32 for the privilege of operating the motor vehicle upon the highway, the
33 proceeds of which are reserved for constructing or maintaining roads in
34 the federal area, or requires maintenance or construction work to be
35 performed on the highway for the privilege of operating the motor
36 vehicle on the highway; and

37 (k) Waste vegetable oil as defined under section 2 of this act if
38 the oil is used to manufacture biodiesel.

1 (2) There is exempted from the tax imposed by this chapter the
2 removal or entry of special fuel under the following circumstances and
3 conditions:

4 (a) If it is the removal from a terminal or refinery of, or the
5 entry or sale of, a special fuel if all of the following apply:

6 (i) The person otherwise liable for the tax is a licensee other
7 than a dyed special fuel user or international fuel tax agreement
8 licensee;

9 (ii) For a removal from a terminal, the terminal is a licensed
10 terminal; and

11 (iii) The special fuel satisfies the dyeing and marking
12 requirements of this chapter;

13 (b) If it is an entry or removal from a terminal or refinery of
14 taxable special fuel transferred to a refinery or terminal and the
15 persons involved, including the terminal operator, are licensed; and

16 (c)(i) If it is a special fuel that, under contract of sale, is
17 shipped to a point outside this state by a supplier by means of any of
18 the following:

19 (A) Facilities operated by the supplier;

20 (B) Delivery by the supplier to a carrier, customs broker, or
21 forwarding agent, whether hired by the purchaser or not, for shipment
22 to the out-of-state point;

23 (C) Delivery by the supplier to a vessel clearing from port of this
24 state for a port outside this state and actually exported from this
25 state in the vessel.

26 (ii) For purposes of this subsection (2)(c):

27 (A) "Carrier" means a person or firm engaged in the business of
28 transporting for compensation property owned by other persons, and
29 includes both common and contract carriers; and

30 (B) "Forwarding agent" means a person or firm engaged in the
31 business of preparing property for shipment or arranging for its
32 shipment.

33 (3) Notwithstanding any provision of law to the contrary, every
34 urban passenger transportation system and carriers as defined by
35 chapters 81.68 and 81.70 RCW shall be exempt from the provisions of
36 this chapter requiring the payment of special fuel taxes. For the
37 purposes of this section "urban passenger transportation system" means
38 every transportation system, publicly or privately owned, having as its

1 principal source of revenue the income from transporting persons for
2 compensation by means of motor vehicles and/or trackless trolleys, each
3 having a seating capacity for over fifteen persons over prescribed
4 routes in such a manner that the routes of such motor vehicles and/or
5 trackless trolleys, either alone or in conjunction with routes of other
6 such motor vehicles and/or trackless trolleys subject to routing by the
7 same transportation system, shall not extend for a distance exceeding
8 twenty-five road miles beyond the corporate limits of the county in
9 which the original starting points of such motor vehicles are located:
10 PROVIDED, That no refunds or credits shall be granted on special fuel
11 used by any urban transportation vehicle or vehicle operated pursuant
12 to chapters 81.68 and 81.70 RCW on any trip where any portion of said
13 trip is more than twenty-five road miles beyond the corporate limits of
14 the county in which said trip originated.

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

17 (1) The tax levied by RCW 82.08.020 does not apply to sales of
18 waste vegetable oil that is used by a person in the production of
19 biodiesel for personal use.

20 (2) This exemption is available only if the buyer provides the
21 seller with an exemption certificate in a form and manner prescribed by
22 the department.

23 (3) For the purposes of this section, the following definitions
24 apply:

25 (a) "Waste vegetable oil" means used cooking oil gathered from
26 restaurants or commercial food processors; and

27 (b) "Personal use" means the person does not engage in the business
28 of selling biodiesel at wholesale or retail.

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

31 The provisions of this chapter do not apply with respect to the use
32 of waste vegetable oil that is used by a person in the production of
33 biodiesel for personal use. The definitions in section 2 of this act
34 apply to this section.

1 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2008.
Passed by the House February 19, 2008.
Passed by the Senate March 11, 2008.
Approved by the Governor March 28, 2008.
Filed in Office of Secretary of State March 28, 2008.