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HOUSE BILL 2323

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State of Washington

61st Legislature

2009 Regular Session

By Representatives Grant-Herriot, Kretz, Blake, McCune, Warnick, Jacks, Van De Wege, Ericks, Schmick, Takko, Kelley, Short, Ormsby, Kenney, and Santos

Read first time 03/25/09. Referred to Committee on Finance.

1 AN ACT Relating to sales and use tax exemption of the nonhighway  
2 use of propane by farmers; adding new sections to chapter 82.08 RCW;  
3 adding new sections to chapter 82.12 RCW; providing an effective date;  
4 providing a contingent effective date; providing contingent expiration  
5 dates; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW  
8 to read as follows:

9 (1) The tax levied by RCW 82.08.020 does not apply to fifty percent  
10 of the selling price of propane fuel sold to a farm fuel user for  
11 nonhighway use. Fuel used for space or water heating for human  
12 habitation is not exempt under this section.

13 (2) The exemption under this section is in the form of a refund.  
14 Sellers shall collect tax on sales subject to this exemption. The  
15 buyer must apply for a refund directly from the department in a form  
16 and manner prescribed by the department. A buyer must apply for a  
17 refund within three months of the purchase of the propane fuel.

18 (3) "Farm fuel user" has the same meaning as provided in RCW  
19 82.08.865.

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

3        (1) The provisions of this chapter do not apply with respect to  
4 fifty percent of the value of propane fuel for nonhighway use by a farm  
5 fuel user. Fuel used for space or water heating for human habitation  
6 is not exempt under this section.

7        (2) Sellers obligated to collect use tax must collect tax on sales  
8 subject to the exemption under this section. The buyer must apply for  
9 a refund directly from the department in a form and manner prescribed  
10 by the department. A buyer must apply for a refund within three months  
11 of the use of the propane fuel.

12        (3) "Farm fuel user" has the same meaning as provided in RCW  
13 82.08.865.

14        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 82.08 RCW  
15 to read as follows:

16        (1) The tax levied by RCW 82.08.020 does not apply to sales of  
17 propane fuel to a farm fuel user for nonhighway use. Fuel used for  
18 space or water heating for human habitation is not exempt under this  
19 section.

20        (2) "Farm fuel user" has the same meaning as provided in RCW  
21 82.08.865.

22        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 82.12 RCW  
23 to read as follows:

24        (1) The provisions of this chapter do not apply with respect to the  
25 nonhighway use of propane fuel by a farm fuel user. Fuel used for  
26 space or water heating for human habitation is not exempt under this  
27 section.

28        (2) "Farm fuel user" has the same meaning as provided in RCW  
29 82.08.865.

30        NEW SECTION.    **Sec. 5.**    Sections 1 and 2 of this act are necessary  
31 for the immediate preservation of the public peace, health, or safety,  
32 or support of the state government and its existing public  
33 institutions, and take effect July 1, 2009.

1        NEW SECTION.    **Sec. 6.**    Sections 3 and 4 of this act take effect on  
2    January 1, 2012, if sections 1 and 2 of this act expire under section  
3    7(2) of this act.

4        NEW SECTION.    **Sec. 7.**    (1) This act expires January 1, 2012, if the  
5    total amount of refunds granted under sections 1 and 2 of this act as  
6    of July 1, 2011, for the prior three fiscal years, is greater than the  
7    total estimated amount of refunds reflected in the final fiscal note  
8    from the office of financial management for this act for the prior  
9    three fiscal years.

10        (2) Sections 1 and 2 of this act expire January 1, 2012, if the  
11    total amount of refunds granted under sections 1 and 2 of this act as  
12    of July 1, 2011, for the prior three fiscal years, is less than the  
13    total estimated amount of refunds reflected in the final fiscal note  
14    for this act from the office of financial management for the prior  
15    three fiscal years.

16        (3) The department of revenue must make a determination under this  
17    section by November 1, 2011, and submit its determination to the  
18    appropriate fiscal committees of the legislature and the office of the  
19    code reviser by December 1, 2011.

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