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**SUBSTITUTE SENATE BILL 5752**

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**State of Washington**

**63rd Legislature**

**2013 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Holmquist Newbry, Chase, Parlette, Hobbs, and Kline)

READ FIRST TIME 03/01/13.

1       AN ACT Relating to extending the expiration date of the existing  
2 business and occupation tax rate for the manufacture and wholesale of  
3 certain solar energy systems; amending RCW 82.04.294; and providing an  
4 expiration date.

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

6       **Sec. 1.** RCW 82.04.294 and 2011 c 179 s 1 are each amended to read  
7 as follows:

8       (1) Upon every person engaging within this state in the business of  
9 manufacturing solar energy systems using photovoltaic modules or  
10 stirling converters, or of manufacturing solar grade silicon, silicon  
11 solar wafers, silicon solar cells, thin film solar devices, or compound  
12 semiconductor solar wafers to be used exclusively in components of such  
13 systems; as to such persons the amount of tax with respect to such  
14 business is, in the case of manufacturers, equal to the value of the  
15 product manufactured, or in the case of processors for hire, equal to  
16 the gross income of the business, multiplied by the rate of 0.275  
17 percent.

18       (2) Upon every person engaging within this state in the business of  
19 making sales at wholesale of solar energy systems using photovoltaic

1 modules or stirling converters, or of solar grade silicon, silicon  
2 solar wafers, silicon solar cells, thin film solar devices, or compound  
3 semiconductor solar wafers to be used exclusively in components of such  
4 systems, manufactured by that person; as to such persons the amount of  
5 tax with respect to such business is equal to the gross proceeds of  
6 sales of the solar energy systems using photovoltaic modules or  
7 stirling converters, or of the solar grade silicon to be used  
8 exclusively in components of such systems, multiplied by the rate of  
9 0.275 percent.

10 (3) Silicon solar wafers, silicon solar cells, thin film solar  
11 devices, solar grade silicon, or compound semiconductor solar wafers  
12 are "semiconductor materials" for the purposes of RCW 82.08.9651 and  
13 82.12.9651.

14 (4) The definitions in this subsection apply throughout this  
15 section.

16 (a) "Compound semiconductor solar wafers" means a semiconductor  
17 solar wafer composed of elements from two or more different groups of  
18 the periodic table.

19 (b) "Module" means the smallest nondivisible self-contained  
20 physical structure housing interconnected photovoltaic cells and  
21 providing a single direct current electrical output.

22 (c) "Photovoltaic cell" means a device that converts light directly  
23 into electricity without moving parts.

24 (d) "Silicon solar cells" means a photovoltaic cell manufactured  
25 from a silicon solar wafer.

26 (e) "Silicon solar wafers" means a silicon wafer manufactured for  
27 solar conversion purposes.

28 (f) "Solar energy system" means any device or combination of  
29 devices or elements that rely upon direct sunlight as an energy source  
30 for use in the generation of electricity.

31 (g) "Solar grade silicon" means high-purity silicon used  
32 exclusively in components of solar energy systems using photovoltaic  
33 modules to capture direct sunlight. "Solar grade silicon" does not  
34 include silicon used in semiconductors.

35 (h) "Stirling converter" means a device that produces electricity  
36 by converting heat from a solar source utilizing a stirling engine.

37 (i) "Thin film solar devices" means a nonparticipating substrate on

1 which various semiconducting materials are deposited to produce a  
2 photovoltaic cell that is used to generate electricity.

3 (5) A person reporting under the tax rate provided in this section  
4 must file a complete annual report with the department under RCW  
5 82.32.534.

6 (6) This section expires June 30, (~~2014~~) 2016.

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