

# SENATE BILL REPORT

## SB 5980

---

---

As of Second Reading

**Title:** An act relating to changing solely the effective date of sections 107 through 109, chapter 28, Laws of 2017 3rd sp. sess. from August 1, 2017, to January 1, 2018.

**Brief Description:** Changing solely the effective date of sections 107 through 109, chapter 28, Laws of 2017 3rd sp. sess. from August 1, 2017, to January 1, 2018.

**Sponsors:** Senator Ericksen.

**Brief History:**

**Committee Activity:**

### Brief Summary of Bill

- Changes the effective date for the provisions of EHB 2163 regarding self-produced fuels from August 1, 2017 to January 1, 2018.

---

**Staff:** Jeff Olsen (786-7428)

**Background:** Prior to the 2017 legislative session, businesses that self produce fuel for their own purposes had an exemption from the use tax on the self-produced fuel that they used. EHB 2163 was adopted during the 2017 session which had several revenue raising measures contained in the legislation. One of the measures was to narrow the use tax exemption on self-produced fuels used by the businesses to apply to just biomass fuels. For manufactured fuels used by oil refineries, who were removed from the exemption, a lower use tax rate was adopted and phased in over four years beginning January 1, 2018. The new rates are as follows:

- 0.963 percent from January 1, 2018, through December 31, 2018;
- 1.926 percent from January 1, 2019, through December 31, 2019;
- 2.889 percent from January 1, 2020, through December 31, 2020; and
- 3.852 percent from January 1, 2021, and thereafter.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

After passage of EHB 2163, it was discovered that the narrowing of the exemption had an effective date of August 1, 2017, while the new phased in use tax rates for refinery fuel gas did not begin until January 1, 2018. The intention of the legislation was that all parts of this policy were to begin January 1, 2018.

**Summary of Bill:** The effective date of the sections of the bill that narrowed the use tax exemption for self-produced fuels and provided for a phased in use tax rate for refinery fuel gas is changed from August 1, 2017 to January 1, 2018. The effect of this is to sync the effective date of the narrowing of the use tax exemption with the start date of the new use tax rates for refinery fuel gas.

**Appropriation:** None.

**Fiscal Note:** Requested on 07/19/2017.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.