

HB 2848 - S COMM AMD

By Committee on Environment, Energy & Technology

ADOPTED 03/10/2020

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** It is the intent of the legislature to
4 retain and grow family wage jobs in rural, economically distressed
5 areas; to promote healthy forests; and to utilize Washington's
6 abundant natural resources to promote diversified renewable energy
7 use in the state.

8 **Sec. 2.** RCW 82.08.956 and 2013 2nd sp.s. c 13 s 1002 are each
9 amended to read as follows:

10 (1) The tax levied by RCW 82.08.020 does not apply to sales of
11 hog fuel used to produce electricity, steam, heat, or biofuel. This
12 exemption is available only if the buyer provides the seller with an
13 exemption certificate in a form and manner prescribed by the
14 department. The seller must retain a copy of the certificate for the
15 seller's files.

16 (2) For the purposes of this section the following definitions
17 apply:

18 (a) "Hog fuel" means wood waste and other wood residuals
19 including forest derived biomass. "Hog fuel" does not include
20 firewood or wood pellets; and

21 (b) "Biofuel" (~~((has the same meaning as provided in RCW~~
22 ~~43.325.010))~~ means a liquid or gaseous fuel derived from organic
23 matter intended for use as a transportation fuel, including, but not
24 limited to, biodiesel, renewable diesel, ethanol, renewable natural
25 gas, and renewable propane.

26 (3) If a taxpayer who claimed an exemption under this section
27 closes a facility in Washington for which employment positions were
28 reported under RCW 82.32.605, resulting in a loss of jobs located
29 within the state, the department must declare the amount of the tax

1 exemption claimed under this section for the previous two calendar
2 years to be immediately due.

3 (4) This section expires June 30, (~~(2024)~~) 2034.

4 **Sec. 3.** RCW 82.12.956 and 2013 2nd sp.s. c 13 s 1003 are each
5 amended to read as follows:

6 (1) The provisions of this chapter do not apply with respect to
7 the use of hog fuel for production of electricity, steam, heat, or
8 biofuel.

9 (2) For the purposes of this section:

10 (a) "Hog fuel" has the same meaning as provided in RCW 82.08.956;
11 and

12 (b) "Biofuel" has the same meaning as provided in RCW
13 (~~(43.325.010)~~) 82.08.956.

14 (3) This section expires June 30, (~~(2024)~~) 2034.

15 **Sec. 4.** RCW 82.32.605 and 2017 c 135 s 5 are each amended to
16 read as follows:

17 (1) Every taxpayer claiming an exemption under RCW 82.08.956 or
18 82.12.956 must file with the department a complete annual tax
19 performance report under RCW 82.32.534, except that the taxpayer must
20 file a separate tax performance report for each facility owned or
21 operated in the state of Washington.

22 (2) This section expires June 30, (~~(2024)~~) 2034.

23 NEW SECTION. **Sec. 5.** (1) This section is the tax preference
24 performance statement for the tax preferences contained in sections 2
25 and 3, chapter . . ., Laws of 2020 (sections 2 and 3 of this act).
26 This performance statement is only intended to be used for subsequent
27 evaluation of the tax preference. It is not intended to create a
28 private right of action by any party or be used to determine
29 eligibility for preferential tax treatment.

30 (2) The legislature categorizes these tax preferences as ones
31 intended to induce certain designated behavior by taxpayers, as
32 indicated in RCW 82.32.808(2)(a).

33 (3) It is the legislature's specific public policy objective to
34 extend the expiration date of these tax preferences in order to
35 increase the ability of beneficiary facilities to provide at least
36 seventy-five percent of their employees with medical and dental
37 insurance and a retirement plan. For the purposes of this tax

1 preference performance statement, retirement plans may include
2 defined benefit plans, defined contribution plans, or an employee
3 investment plan whereby the employer offers a contribution to the
4 employee plan.

5 (4) In order to obtain the data necessary to measure the
6 effectiveness of these tax preferences in achieving the public policy
7 objective described in subsection (3) of this section, the joint
8 legislative audit and review committee may refer to:

9 (a) The annual tax performance report that a taxpayer is required
10 to file with the department of revenue per RCW 82.32.605; and

11 (b) Employment data available from the employment security
12 department."

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13 On page 1, line 5 of the title, after "communities;" strike the
14 remainder of the title and insert "amending RCW 82.08.956, 82.12.956,
15 and 82.32.605; creating new sections; and providing expiration
16 dates."

EFFECT: (1) Expires the sales and use tax exemption on hog fuel
on June 30, 2034, instead of June 30, 2045.

(2) Clarifies that for the purposes of the legislature's intent
to increase the beneficiary facilities ability to provide at least
seventy-five percent of their employees with medical and dental
insurance and a retirement plan, retirement plans may include defined
benefit plans, defined contribution plans, or an employee investment
plan whereby the employer offers a contribution to the employee plan.

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