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HOUSE BILL 1442

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State of Washington

57th Legislature

2001 Regular Session

By Representatives Poulsen, Crouse, Morris, Edmonds, Tokuda, Linville, Kagi, Van Luven, Kenney, Hatfield, Cooper, O'Brien, Conway, Lovick, Keiser, Roach, Bush, Berkey, Miloscia, Simpson, McIntire, Wood, Rockefeller, McDermott and Kessler; by request of Governor Locke

Read first time 01/25/2001. Referred to Committee on Technology, Telecommunications & Energy.

1 AN ACT Relating to exempting electric generating facilities  
2 powered by wind or sun energy from sales and use taxes; amending  
3 RCW 82.08.02567 and 82.12.02567; providing an effective date;  
4 providing expiration dates; and declaring an emergency.

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

6 **Sec. 1.** RCW 82.08.02567 and 1999 c 358 s 4 are each amended to  
7 read as follows:

8 (1) The tax levied by RCW 82.08.020 shall not apply to sales of  
9 machinery and equipment used directly in generating electricity  
10 using wind, sun, or landfill gas as the principal source of power,  
11 or to sales of or charges made for labor and services rendered in  
12 respect to installing such machinery and equipment, but only if  
13 the purchaser develops with such machinery, equipment, and labor a  
14 facility capable of generating not less than two hundred  
15 (~~kilowatts~~) watts of electricity and provides the seller with an  
16 exemption certificate in a form and manner prescribed by the  
17 department (~~by rule~~). The seller shall retain a copy of the  
18 certificate for the seller's files.

1 (2) For purposes of this section and RCW 82.12.02567:

2 (a) "Landfill gas" means biomass fuel of the type qualified for  
3 federal tax credits under 26 U.S.C. Sec. 29 collected from a  
4 landfill. "Landfill" means a landfill as defined under RCW  
5 70.95.030;

6 (b) "Machinery and equipment" means industrial fixtures,  
7 devices, and support facilities that are integral and necessary to  
8 the generation of electricity using wind, sun, or landfill gas as  
9 the principal source of power;

10 (c) "Machinery and equipment" does not include: (i) Hand-  
11 powered tools; (ii) property with a useful life of less than one  
12 year; (iii) repair parts required to restore machinery and  
13 equipment to normal working order; (iv) replacement parts that do  
14 not increase productivity, improve efficiency, or extend the  
15 useful life of machinery and equipment; (v) buildings; or (vi)  
16 building fixtures that are not integral and necessary to the  
17 generation of electricity that are permanently affixed to and  
18 become a physical part of a building;

19 (d) Machinery and equipment is "used directly" in generating  
20 electricity by wind energy, solar energy, or landfill gas power if  
21 it provides any part of the process that captures the energy of  
22 the wind, sun, or landfill gas, converts that energy to  
23 electricity, and stores, transforms, or transmits that electricity  
24 for entry into or operation in parallel with electric transmission  
25 and distribution systems.

26 (3) This section expires June 30, (~~2005~~) 2009.

27 **Sec. 2.** RCW 82.12.02567 and 1999 c 358 s 10 are each amended to  
28 read as follows:

29 (1) The provisions of this chapter shall not apply with respect  
30 to machinery and equipment used directly in generating not less  
31 than two hundred (~~kilowatts~~) watts of electricity using wind,  
32 sun, or landfill gas as the principal source of power.

33 (2) The definitions in RCW 82.08.02567 apply to this section.

34 (3) This section expires June 30, (~~2005~~) 2009.

35 NEW SECTION. **Sec. 3.** This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of  
2 the state government and its existing public institutions, and  
3 takes effect July 1, 2001.

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