

# FINAL BILL REPORT

## SSB 5009

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### C 443 L 07

Synopsis as Enacted

**Brief Description:** Exempting biodiesel fuel used for nonhighway farm use from sales and use tax.

**Sponsors:** Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Haugen, Hatfield, Poulsen, Sheldon, Holmquist, Rasmussen, Schoesler, Kline and Shin).

**Senate Committee on Agriculture & Rural Economic Development**  
**Senate Committee on Ways & Means**  
**House Committee on Finance**

**Background:** During the 2006 Legislative Session, an exemption from sales and use tax was provided for diesel used for farm purposes by a farm fuel user. A farm fuel user includes a farmer or other person who provides services for farmers such as soil preparation, crop cultivation, and crop harvesting.

This exemption is provided only if the buyer provides the seller with an exemption certificate provided by the Department of Revenue.

In 2006, legislation was also enacted to provide incentives to the production of biodiesel and to stimulate markets for biodiesel fuels.

**Summary:** Biodiesel fuel, including biodiesel fuel blended with diesel, used by a farm fuel user for nonhighway use is exempt from sales tax and use tax.

**Votes on Final Passage:**

Senate	42	2	
House	97	0	(House amended)
Senate	43	1	(Senate concurred)

**Effective:** May 11, 2007