

HOUSE BILL REPORT

HB 1857

As Reported by House Committee On:
Technology, Energy & Communications

Title: An act relating to solar water heating tax exemptions.

Brief Description: Concerning solar water heating tax exemptions.

Sponsors: Representative Chase.

Brief History:

Committee Activity:

Technology, Energy & Communications: 2/12/09, 2/16/09 [DPS].

Brief Summary of Substitute Bill

- Extends sales and use tax exemptions for certain solar hot water systems and solar hot water collectors to June 30, 2015.
- Specifies that certain solar hot water heating components are exempt from the sales and use tax exemption.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives McCoy, Chair; Eddy, Vice Chair; Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Carlyle, Condotta, Finn, Hasegawa, Herrera, Hinkle, Hudgins, Jacks, McCune, Morris, Takko and Van De Wege.

Staff: Scott Richards (786-7156)

Background:

The purchase of certain solar hot water systems and solar hot water collectors that satisfy set industry standards are currently exempt from both sales and use taxes. The tax exemption also applies to solar heat exchangers and differential solar controllers. The repair and replacement of parts for these systems, collectors, exchangers, and controllers are exempt from both sales and use taxes.

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.

Sales of, or charges for, labor and services installing, repairing, cleaning, altering, or improving solar hot water systems, collectors, exchangers and differential controllers are also exempt from both sales and use tax.

The sales and use tax exemptions expire on July 1, 2009.

Summary of Substitute Bill:

All purchases of certain solar hot water systems and solar hot water collectors that satisfy set industry standards are exempt from both sales and use taxes. The tax exemption also applies to solar heat exchangers, differential solar controllers, and associated components. Additionally, the tax exemption applies to repair and replacement of parts for these systems, collectors, exchangers, and controllers.

Sales of or charges for labor and services installing, repairing, cleaning, altering, or improving solar hot water systems, collectors, heat exchangers, differential controllers, and associated components are also exempt from both sales and use tax.

The sales and use tax exemptions expire on June 30, 2015.

"Associated component" includes all tangible personal property which is attached to and a part of a solar water heating system, solar water heating collector, solar heat exchanger, or differential solar controller as defined under this section.

Substitute Bill Compared to Original Bill:

A definition for "associated component" is added.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill includes some components that were missing when this tax incentive was first enacted by the Legislature. The tax incentive reflected in this bill is essential to the solar hot water industry. There are lots of environmental reasons to support this bill. There are significant solar resources in Washington to heat water. These systems are simple and less expensive than they used to be.

(Opposed) None.

Persons Testifying: Representative Chase, prime sponsor; and Kent Aleorn, American Solar Power.

Persons Signed In To Testify But Not Testifying: None.