
HOUSE BILL 2417

State of Washington 61st Legislature 2010 Regular Session

By Representatives Morris, Chase, and Hasegawa

Prefiled 12/07/09. Read first time 01/11/10. Referred to Committee on Technology, Energy & Communications.

1 AN ACT Relating to creating a public utility tax for the sale of
2 certain renewable energy credits; amending RCW 82.16.010, 82.16.020,
3 and 82.16.020; reenacting and amending RCW 82.16.010; providing
4 effective dates; and providing an expiration date.

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

6 **Sec. 1.** RCW 82.16.010 and 2009 c 535 s 1110 and 2009 c 469 s 701
7 are each reenacted and amended to read as follows:

8 For the purposes of this chapter, unless otherwise required by the
9 context:

10 (1) "Eligible renewable resource" means the same as the term is
11 defined under RCW 19.285.030.

12 (2) "Express business" means the business of carrying property for
13 public hire on the line of any common carrier operated in this state,
14 when such common carrier is not owned or leased by the person engaging
15 in such business.

16 ((+2)) (3) "Fully unbundled renewable energy credit" means a
17 tradable certificate of proof of the nonpower attributes associated
18 with at least one megawatt-hour of electricity generated from an

1 eligible renewable resource, and the certificate is verified by a
2 renewable energy credit tracking system determined by the department of
3 commerce as required under chapter 19.285 RCW.

4 (4) "Gas distribution business" means the business of operating a
5 plant or system for the production or distribution for hire or sale of
6 gas, whether manufactured or natural.

7 ~~((3))~~ (5) "Gross income" means the value proceeding or accruing
8 from the performance of the particular public service or transportation
9 business involved, including operations incidental thereto, but without
10 any deduction on account of the cost of the commodity furnished or
11 sold, the cost of materials used, labor costs, interest, discount,
12 delivery costs, taxes, or any other expense whatsoever paid or accrued
13 and without any deduction on account of losses.

14 ~~((4))~~ (6) "Light and power business" means the business of
15 operating a plant or system for the generation, production or
16 distribution of electrical energy for hire or sale and/or for the
17 wheeling of electricity for others.

18 ~~((5))~~ (7) "Log transportation business" means the business of
19 transporting logs by truck, other than exclusively upon private roads.

20 ~~((6))~~ (8) "Motor transportation business" means the business
21 (except urban transportation business) of operating any motor propelled
22 vehicle by which persons or property of others are conveyed for hire,
23 and includes, but is not limited to, the operation of any motor
24 propelled vehicle as an auto transportation company (except urban
25 transportation business), common carrier, or contract carrier as
26 defined by RCW 81.68.010 and 81.80.010. However, "motor transportation
27 business" does not mean or include: (a) A log transportation business;
28 or (b) the transportation of logs or other forest products exclusively
29 upon private roads or private highways.

30 ~~((7))~~ (9)(a) "Public service business" means any of the
31 businesses defined in subsections ~~((1), (2), (4), (6), (8), (9), (10),~~
32 ~~(12))~~ (2), (4), (6), (8), (10), (11), (13), (15), and ~~((13))~~ (16) of
33 this section or any business subject to control by the state, or having
34 the powers of eminent domain and the duties incident thereto, or any
35 business hereafter declared by the legislature to be of a public
36 service nature, except telephone business and low-level radioactive
37 waste site operating companies as redefined in RCW 81.04.010. It

1 includes, among others, without limiting the scope hereof: Airplane
2 transportation, boom, dock, ferry, pipe line, toll bridge, toll logging
3 road, water transportation and wharf businesses.

4 (b) The definitions in this subsection (~~((7))~~) (9)(b) apply
5 throughout this subsection (~~((7))~~) (9).

6 (i) "Competitive telephone service" has the same meaning as in RCW
7 82.04.065.

8 (ii) "Network telephone service" means the providing by any person
9 of access to a telephone network, telephone network switching service,
10 toll service, or coin telephone services, or the providing of
11 telephonic, video, data, or similar communication or transmission for
12 hire, via a telephone network, toll line or channel, cable, microwave,
13 or similar communication or transmission system. "Network telephone
14 service" includes the provision of transmission to and from the site of
15 an internet provider via a telephone network, toll line or channel,
16 cable, microwave, or similar communication or transmission system.
17 "Network telephone service" does not include the providing of
18 competitive telephone service, the providing of cable television
19 service, the providing of broadcast services by radio or television
20 stations, nor the provision of internet access as defined in RCW
21 82.04.297, including the reception of dial-in connection, provided at
22 the site of the internet service provider.

23 (iii) "Telephone business" means the business of providing network
24 telephone service. It includes cooperative or farmer line telephone
25 companies or associations operating an exchange.

26 (iv) "Telephone service" means competitive telephone service or
27 network telephone service, or both, as defined in (b)(i) and (ii) of
28 this subsection.

29 (~~((8))~~) (10) "Railroad business" means the business of operating
30 any railroad, by whatever power operated, for public use in the
31 conveyance of persons or property for hire. It shall not, however,
32 include any business herein defined as an urban transportation
33 business.

34 (~~((9))~~) (11) "Railroad car business" means the business of
35 operating stock cars, furniture cars, refrigerator cars, fruit cars,
36 poultry cars, tank cars, sleeping cars, parlor cars, buffet cars,
37 tourist cars, or any other kinds of cars used for transportation of

1 property or persons upon the line of any railroad operated in this
2 state when such railroad is not owned or leased by the person engaging
3 in such business.

4 ~~((+10+))~~ (12) "Renewable energy credits selling business" means the
5 business of selling fully unbundled renewable energy credits.

6 (13) "Telegraph business" means the business of affording
7 telegraphic communication for hire.

8 ~~((+11+))~~ (14) "Tugboat business" means the business of operating
9 tugboats, towboats, wharf boats or similar vessels in the towing or
10 pushing of vessels, barges or rafts for hire.

11 ~~((+12+))~~ (15) "Urban transportation business" means the business of
12 operating any vehicle for public use in the conveyance of persons or
13 property for hire, insofar as (a) operating entirely within the
14 corporate limits of any city or town, or within five miles of the
15 corporate limits thereof, or (b) operating entirely within and between
16 cities and towns whose corporate limits are not more than five miles
17 apart or within five miles of the corporate limits of either thereof.
18 Included herein, but without limiting the scope hereof, is the business
19 of operating passenger vehicles of every type and also the business of
20 operating cartage, pickup, or delivery services, including in such
21 services the collection and distribution of property arriving from or
22 destined to a point within or without the state, whether or not such
23 collection or distribution be made by the person performing a local or
24 interstate line-haul of such property.

25 ~~((+13+))~~ (16) "Water distribution business" means the business of
26 operating a plant or system for the distribution of water for hire or
27 sale.

28 ~~((+14+))~~ (17) The meaning attributed, in chapter 82.04 RCW, to the
29 term "tax year," "person," "value proceeding or accruing," "business,"
30 "engaging in business," "in this state," "within this state," "cash
31 discount" and "successor" shall apply equally in the provisions of this
32 chapter.

33 **Sec. 2.** RCW 82.16.010 and 2009 c 535 s 1110 are each amended to
34 read as follows:

35 For the purposes of this chapter, unless otherwise required by the
36 context:

1 (1) "Eligible renewable resource" means the same as the term is
2 defined under RCW 19.285.030.

3 (2) "Express business" means the business of carrying property for
4 public hire on the line of any common carrier operated in this state,
5 when such common carrier is not owned or leased by the person engaging
6 in such business.

7 ~~((+2))~~ (3) "Fully unbundled renewable energy credit" means a
8 tradable certificate of proof of the nonpower attributes associated
9 with at least one megawatt-hour of electricity generated from an
10 eligible renewable resource, and the certificate is verified by a
11 renewable energy credit tracking system determined by the department of
12 commerce as required under chapter 19.285 RCW.

13 (4) "Gas distribution business" means the business of operating a
14 plant or system for the production or distribution for hire or sale of
15 gas, whether manufactured or natural.

16 ~~((+3))~~ (5) "Gross income" means the value proceeding or accruing
17 from the performance of the particular public service or transportation
18 business involved, including operations incidental thereto, but without
19 any deduction on account of the cost of the commodity furnished or
20 sold, the cost of materials used, labor costs, interest, discount,
21 delivery costs, taxes, or any other expense whatsoever paid or accrued
22 and without any deduction on account of losses.

23 ~~((+4))~~ (6) "Light and power business" means the business of
24 operating a plant or system for the generation, production or
25 distribution of electrical energy for hire or sale and/or for the
26 wheeling of electricity for others.

27 ~~((+5))~~ (7) "Motor transportation business" means the business
28 (except urban transportation business) of operating any motor propelled
29 vehicle by which persons or property of others are conveyed for hire,
30 and includes, but is not limited to, the operation of any motor
31 propelled vehicle as an auto transportation company (except urban
32 transportation business), common carrier, or contract carrier as
33 defined by RCW 81.68.010 and 81.80.010. However, "motor transportation
34 business" does not mean or include the transportation of logs or other
35 forest products exclusively upon private roads or private highways.

36 ~~((+6))~~ (8)(a) "Public service business" means any of the
37 businesses defined in subsections ~~((+1), (2), (4), (5), (7), (8), (9),~~
38 ~~(+11))~~ (2), (4), (6), (7), (9), (10), (11), (14), and ~~((+12))~~ (15) of

1 this section or any business subject to control by the state, or having
2 the powers of eminent domain and the duties incident thereto, or any
3 business hereafter declared by the legislature to be of a public
4 service nature, except telephone business and low-level radioactive
5 waste site operating companies as redefined in RCW 81.04.010. It
6 includes, among others, without limiting the scope hereof: Airplane
7 transportation, boom, dock, ferry, pipe line, toll bridge, toll logging
8 road, water transportation and wharf businesses.

9 (b) The definitions in this subsection (~~((+6+))~~) (8)(b) apply
10 throughout this subsection (~~((+6+))~~) (8).

11 (i) "Competitive telephone service" has the same meaning as in RCW
12 82.04.065.

13 (ii) "Network telephone service" means the providing by any person
14 of access to a telephone network, telephone network switching service,
15 toll service, or coin telephone services, or the providing of
16 telephonic, video, data, or similar communication or transmission for
17 hire, via a telephone network, toll line or channel, cable, microwave,
18 or similar communication or transmission system. "Network telephone
19 service" includes the provision of transmission to and from the site of
20 an internet provider via a telephone network, toll line or channel,
21 cable, microwave, or similar communication or transmission system.
22 "Network telephone service" does not include the providing of
23 competitive telephone service, the providing of cable television
24 service, the providing of broadcast services by radio or television
25 stations, nor the provision of internet access as defined in RCW
26 82.04.297, including the reception of dial-in connection, provided at
27 the site of the internet service provider.

28 (iii) "Telephone business" means the business of providing network
29 telephone service. It includes cooperative or farmer line telephone
30 companies or associations operating an exchange.

31 (iv) "Telephone service" means competitive telephone service or
32 network telephone service, or both, as defined in (b)(i) and (ii) of
33 this subsection.

34 (~~((+7+))~~) (9) "Railroad business" means the business of operating any
35 railroad, by whatever power operated, for public use in the conveyance
36 of persons or property for hire. It shall not, however, include any
37 business herein defined as an urban transportation business.

1 (~~(+8)~~) (10) "Railroad car business" means the business of
2 operating stock cars, furniture cars, refrigerator cars, fruit cars,
3 poultry cars, tank cars, sleeping cars, parlor cars, buffet cars,
4 tourist cars, or any other kinds of cars used for transportation of
5 property or persons upon the line of any railroad operated in this
6 state when such railroad is not owned or leased by the person engaging
7 in such business.

8 (~~(+9)~~) (11) "Telegraph business" means the business of affording
9 telegraphic communication for hire.

10 (~~(+10)~~) (12) "Renewable energy credits selling business" means the
11 business of selling fully unbundled renewable energy credits.

12 (13) "Tugboat business" means the business of operating tugboats,
13 towboats, wharf boats or similar vessels in the towing or pushing of
14 vessels, barges or rafts for hire.

15 (~~(+11)~~) (14) "Urban transportation business" means the business of
16 operating any vehicle for public use in the conveyance of persons or
17 property for hire, insofar as (a) operating entirely within the
18 corporate limits of any city or town, or within five miles of the
19 corporate limits thereof, or (b) operating entirely within and between
20 cities and towns whose corporate limits are not more than five miles
21 apart or within five miles of the corporate limits of either thereof.
22 Included herein, but without limiting the scope hereof, is the business
23 of operating passenger vehicles of every type and also the business of
24 operating cartage, pickup, or delivery services, including in such
25 services the collection and distribution of property arriving from or
26 destined to a point within or without the state, whether or not such
27 collection or distribution be made by the person performing a local or
28 interstate line-haul of such property.

29 (~~(+12)~~) (15) "Water distribution business" means the business of
30 operating a plant or system for the distribution of water for hire or
31 sale.

32 (~~(+13)~~) (16) The meaning attributed, in chapter 82.04 RCW, to the
33 term "tax year," "person," "value proceeding or accruing," "business,"
34 "engaging in business," "in this state," "within this state," "cash
35 discount" and "successor" shall apply equally in the provisions of this
36 chapter.

1 **Sec. 3.** RCW 82.16.020 and 2009 c 469 s 702 are each amended to
2 read as follows:

3 (1) There is levied and there shall be collected from every person
4 a tax for the act or privilege of engaging within this state in any one
5 or more of the businesses herein mentioned. The tax shall be equal to
6 the gross income of the business, multiplied by the rate set out after
7 the business, as follows:

8 (a) Express, sewerage collection, and telegraph businesses: Three
9 and six-tenths percent;

10 (b) Light and power business: Three and sixty-two one-hundredths
11 percent;

12 (c) Gas distribution business: Three and six-tenths percent;

13 (d) Urban transportation business: Six-tenths of one percent;

14 (e) Vessels under sixty-five feet in length, except tugboats,
15 operating upon the waters within the state: Six-tenths of one percent;

16 (f) Motor transportation, railroad, railroad car, and tugboat
17 businesses, and all public service businesses other than ones mentioned
18 above: One and eight-tenths of one percent;

19 (g) Water distribution business: Four and seven-tenths percent;

20 (h) Log transportation business: One and twenty-eight one-
21 hundredths percent;

22 (i) Renewable energy credits selling business: Fifty percent.

23 (2) An additional tax is imposed equal to the rate specified in RCW
24 82.02.030 multiplied by the tax payable under subsection (1) of this
25 section.

26 (3) Twenty percent of the moneys collected under subsection (1) of
27 this section on water distribution businesses and sixty percent of the
28 moneys collected under subsection (1) of this section on sewerage
29 collection businesses shall be deposited in the public works assistance
30 account created in RCW 43.155.050.

31 **Sec. 4.** RCW 82.16.020 and 1996 c 150 s 2 are each amended to read
32 as follows:

33 (1) There is levied and there shall be collected from every person
34 a tax for the act or privilege of engaging within this state in any one
35 or more of the businesses herein mentioned. The tax shall be equal to
36 the gross income of the business, multiplied by the rate set out after
37 the business, as follows:

1 (a) Express, sewerage collection, and telegraph businesses: Three
2 and six-tenths percent;

3 (b) Light and power business: Three and sixty-two one-hundredths
4 percent;

5 (c) Gas distribution business: Three and six-tenths percent;

6 (d) Urban transportation business: Six-tenths of one percent;

7 (e) Vessels under sixty-five feet in length, except tugboats,
8 operating upon the waters within the state: Six-tenths of one percent;

9 (f) Motor transportation, railroad, railroad car, and tugboat
10 businesses, and all public service businesses other than ones mentioned
11 above: One and eight-tenths of one percent;

12 (g) Water distribution business: Four and seven-tenths percent;

13 (h) Renewable energy credits selling business: Fifty percent.

14 (2) An additional tax is imposed equal to the rate specified in RCW
15 82.02.030 multiplied by the tax payable under subsection (1) of this
16 section.

17 (3) Twenty percent of the moneys collected under subsection (1) of
18 this section on water distribution businesses and sixty percent of the
19 moneys collected under subsection (1) of this section on sewerage
20 collection businesses shall be deposited in the public works assistance
21 account created in RCW 43.155.050.

22 NEW SECTION. **Sec. 5.** Sections 1 and 3 of this act expire June 30,
23 2013.

24 NEW SECTION. **Sec. 6.** Sections 2 and 4 of this act take effect
25 June 30, 2013.

26 NEW SECTION. **Sec. 7.** Except for sections 2 and 4 of this act,
27 this act takes effect January 1, 2011.

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