
SUBSTITUTE SENATE BILL 6712

State of Washington

61st Legislature

2010 Regular Session

By Senate Ways & Means (originally sponsored by Senators Hobbs, Shin, and Kilmer; by request of Department of Revenue)

READ FIRST TIME 03/09/10.

1 AN ACT Relating to extending expiring tax incentives for certain
2 clean alternative fuel vehicles, producers of certain biofuels, and
3 federal aviation regulation part 145 certificated repair stations;
4 amending RCW 82.04.250, 82.08.809, 82.12.809, 84.36.635, 84.36.640, and
5 82.29A.135; repealing 2008 c 81 s 19 (uncodified); repealing 2007 c 54
6 s 30 (uncodified); repealing 2006 c 177 s 14 (uncodified); repealing
7 2005 c 296 s 6 (uncodified); repealing 2007 c 54 s 5; and providing an
8 expiration date.

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

10 **Sec. 1.** RCW 82.04.250 and 2008 c 81 s 5 are each amended to read
11 as follows:

12 (1) Upon every person engaging within this state in the business of
13 making sales at retail, except persons taxable as retailers under other
14 provisions of this chapter, as to such persons, the amount of tax with
15 respect to such business (~~shall be~~) is equal to the gross proceeds of
16 sales of the business, multiplied by the rate of 0.471 percent.

17 (2) Upon every person engaging within this state in the business of
18 making sales at retail that are exempt from the tax imposed under
19 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or

1 82.08.0263, except persons taxable under RCW 82.04.260(11) or
2 subsection (3) of this section, as to such persons, the amount of tax
3 with respect to such business (~~shall be~~) is equal to the gross
4 proceeds of sales of the business, multiplied by the rate of 0.484
5 percent.

6 (3) Until July 1, 2024, upon every person classified by the federal
7 aviation administration as a federal aviation regulation part 145
8 certificated repair station and that is engaging within this state in
9 the business of making sales at retail that are exempt from the tax
10 imposed under chapter 82.08 RCW by reason of RCW 82.08.0261,
11 82.08.0262, or 82.08.0263, as to such persons, the amount of tax with
12 respect to such business (~~shall be~~) is equal to the gross proceeds of
13 sales of the business, multiplied by the rate of .2904 percent.

14 **Sec. 2.** RCW 82.08.809 and 2005 c 296 s 1 are each amended to read
15 as follows:

16 (1)(a) The tax levied by RCW 82.08.020 does not apply to sales of
17 new passenger cars, light duty trucks, and medium duty passenger
18 vehicles, which are exclusively powered by a clean alternative fuel.

19 (b) The tax levied by RCW 82.08.020 does not apply to sales of
20 qualifying used passenger cars, light duty trucks, and medium duty
21 passenger vehicles, which were modified after their initial purchase,
22 with an EPA certified conversion to be exclusively powered by a clean
23 alternative fuel. "Qualifying used passenger cars, light duty trucks,
24 and medium duty passenger vehicles" means vehicles that:

25 (i) Are part of a fleet of at least five vehicles, all owned by the
26 same person;

27 (ii) Have an odometer reading of less than thirty thousand miles;

28 (iii) Are less than two years past their original date of
29 manufacture; and

30 (iv) Are being sold for the first time after modification.

31 (2) The seller must keep records necessary for the department to
32 verify eligibility under this section.

33 (3) As used in this section, "clean alternative fuel" means natural
34 gas, propane, hydrogen, or electricity, when used as a fuel in a motor
35 vehicle that meets the California motor vehicle emission standards in
36 Title 13 of the California code of regulations, effective January 1,
37 2005, and the rules of the Washington state department of ecology.

1 (4) This section expires July 1, 2015.

2 **Sec. 3.** RCW 82.12.809 and 2005 c 296 s 3 are each amended to read
3 as follows:

4 (1)(a) Until July 1, 2015, the provisions of this chapter do not
5 apply in respect to the use of new passenger cars, light duty trucks,
6 and medium duty passenger vehicles, which are exclusively powered by a
7 clean alternative fuel.

8 (b) Until July 1, 2015, the provisions of this chapter do not apply
9 to the use of qualifying used passenger cars, light duty trucks, and
10 medium duty passenger vehicles, which were modified after their initial
11 purchase with an EPA certified conversion to be exclusively powered by
12 a clean alternative fuel. As used in this subsection, "qualifying used
13 passenger cars, light duty trucks, and medium duty passenger vehicles"
14 has the same meaning as provided in RCW 82.08.809.

15 (2) "Clean alternative fuel" has the same meaning as provided in
16 RCW 82.08.809.

17 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020
18 on the use, on or after July 1, 2015, of a passenger car, light duty
19 truck, or medium duty passenger vehicle exclusively powered by a clean
20 alternative fuel, if the taxpayer used such vehicle in this state
21 before July 1, 2015, and the use was exempt under this section from the
22 tax imposed in RCW 82.12.020.

23 **Sec. 4.** RCW 84.36.635 and 2008 c 268 s 1 are each amended to read
24 as follows:

25 (1) For the purposes of this section:

26 (a) "Alcohol fuel" means any alcohol made from a product other than
27 petroleum or natural gas, which is used alone or in combination with
28 gasoline or other petroleum products for use as a fuel for motor
29 vehicles, farm implements, and machines or implements of husbandry.

30 (b) "Anaerobic digester" has the same meaning as provided in RCW
31 82.08.900.

32 (c) "Biodiesel feedstock" means oil that is produced from an
33 agricultural crop for the sole purpose of ultimately producing
34 biodiesel fuel.

35 (d) "Biodiesel fuel" means a mono alkyl ester of long chain fatty
36 acids derived from vegetable oils or animal fats for use in

1 compression-ignition engines and that meets the requirements of the
2 American society of testing and materials specification D 6751 in
3 effect as of January 1, 2003.

4 (2)(a) All buildings, machinery, equipment, and other personal
5 property which are used primarily for the manufacturing of alcohol
6 fuel, biodiesel fuel, biodiesel feedstock, or the operation of an
7 anaerobic digester, the land upon which this property is located, and
8 land that is reasonably necessary in the manufacturing of alcohol fuel,
9 biodiesel fuel, biodiesel feedstock, or the operation of an anaerobic
10 digester, but not land necessary for growing of crops, which together
11 comprise a new manufacturing facility or an addition to an existing
12 manufacturing facility, are exempt from property taxation for the six
13 assessment years following the date on which the facility or the
14 addition to the existing facility becomes operational.

15 (b) For manufacturing facilities which produce products in addition
16 to alcohol fuel, biodiesel fuel, or biodiesel feedstock, the amount of
17 the property tax exemption (~~((shall be))~~) is based upon the annual
18 percentage of the total value of all products manufactured that is the
19 value of the alcohol fuel, biodiesel fuel, and biodiesel feedstock
20 manufactured.

21 (3) Claims for exemptions authorized by this section (~~((shall))~~) must
22 be filed with the county assessor on forms prescribed by the department
23 of revenue and furnished by the assessor. Once filed, the exemption is
24 valid for six years and (~~((shall))~~) may not be renewed. The assessor
25 (~~((shall))~~) must verify and approve claims as the assessor determines to
26 be justified and in accordance with this section. No claims may be
27 filed after December 31, (~~((2009))~~) 2015, except for claims for anaerobic
28 digesters, which may be filed no later than December 31, 2012.

29 The department of revenue may promulgate such rules, pursuant to
30 chapter 34.05 RCW, as necessary to properly administer this section.

31 **Sec. 5.** RCW 84.36.640 and 2003 c 339 s 9 are each amended to read
32 as follows:

33 (1) For the purposes of this section, "wood biomass fuel" means a
34 pyrolytic liquid fuel or synthesis gas-derived liquid fuel, used in
35 internal combustion engines, and produced from wood, forest, or field
36 residue, or dedicated energy crops that do not include wood pieces that

1 have been treated with chemical preservatives such as creosote,
2 pentachlorophenol, or copper-chroma-arsenic.

3 (2)(a) All buildings, machinery, equipment, and other personal
4 property which is used primarily for the manufacturing of wood biomass
5 fuel, the land upon which this property is located, and land that is
6 reasonably necessary in the manufacturing of wood biomass fuel, but not
7 land necessary for growing of crops, which together comprise a new
8 manufacturing facility or an addition to an existing manufacturing
9 facility, are exempt from property taxation for the six assessment
10 years following the date on which the facility or the addition to the
11 existing facility becomes operational.

12 (b) For manufacturing facilities which produce products in addition
13 to wood biomass fuel, the amount of the property tax exemption (~~shall~~
14 ~~be~~) is based upon the annual percentage of the total value of all
15 products manufactured that is the value of the wood biomass fuel
16 manufactured.

17 (3) Claims for exemptions authorized by this section (~~shall~~) must
18 be filed with the county assessor on forms prescribed by the department
19 of revenue and furnished by the assessor. Once filed, the exemption is
20 valid for six years and (~~shall~~) may not be renewed. The assessor
21 (~~shall~~) must verify and approve claims as the assessor determines to
22 be justified and in accordance with this section. No claims may be
23 filed after December 31, (~~2009~~) 2015.

24 The department of revenue may promulgate such rules, pursuant to
25 chapter 34.05 RCW, as necessary to properly administer this section.

26 **Sec. 6.** RCW 82.29A.135 and 2008 c 268 s 2 are each amended to read
27 as follows:

28 (1) For the purposes of this section:

29 (a) "Alcohol fuel" means any alcohol made from a product other than
30 petroleum or natural gas, which is used alone or in combination with
31 gasoline or other petroleum products for use as a fuel for motor
32 vehicles, farm implements, and machines or implements of husbandry.

33 (b) "Anaerobic digester" has the same meaning as provided in RCW
34 82.08.900.

35 (c) "Biodiesel feedstock" means oil that is produced from an
36 agricultural crop for the sole purpose of ultimately producing
37 biodiesel fuel.

1 (d) "Biodiesel fuel" means a mono alkyl ester of long chain fatty
2 acids derived from vegetable oils or animal fats for use in
3 compression-ignition engines and that meets the requirements of the
4 American society of testing and materials specification D 6751 in
5 effect as of January 1, 2003.

6 (e) "Wood biomass fuel" means a pyrolytic liquid fuel or synthesis
7 gas-derived liquid fuel, used in internal combustion engines, and
8 produced from wood, forest, or field residue, or dedicated energy crops
9 that do not include wood pieces that have been treated with chemical
10 preservatives such as creosote, pentachlorophenol, or copper-chroma-
11 arsenic.

12 (2)(a) All leasehold interests in buildings, machinery, equipment,
13 and other personal property which are used primarily for the
14 manufacturing of alcohol fuel, wood biomass fuel, biodiesel fuel,
15 biodiesel feedstock, or the operation of an anaerobic digester, the
16 land upon which this property is located, and land that is reasonably
17 necessary in the manufacturing of alcohol fuel, wood biomass fuel,
18 biodiesel fuel, biodiesel feedstock, or the operation of an anaerobic
19 digester, but not land necessary for growing of crops, which together
20 comprise a new manufacturing facility or an addition to an existing
21 manufacturing facility, are exempt from leasehold taxes for a period of
22 six years from the date on which the facility or the addition to the
23 existing facility becomes operational.

24 (b) For manufacturing facilities which produce products in addition
25 to alcohol fuel, wood biomass fuel, biodiesel fuel, or biodiesel
26 feedstock, the amount of the leasehold tax exemption (~~((shall be))~~) is
27 based upon the annual percentage of the total value of all products
28 manufactured that is the value of the alcohol fuel, wood biomass fuel,
29 biodiesel fuel, and biodiesel feedstock manufactured.

30 (3) Claims for exemptions authorized by this section (~~((shall))~~) must
31 be filed with the department of revenue on forms prescribed by the
32 department of revenue and furnished by the department of revenue. Once
33 filed, the exemption is valid for six years and (~~((shall))~~) may not be
34 renewed. The department of revenue (~~((shall))~~) must verify and approve
35 claims as the department of revenue determines to be justified and in
36 accordance with this section. No claims may be filed after December
37 31, (~~((2009))~~) 2015, except for claims for anaerobic digesters, which may
38 be filed no later than December 31, 2012.

1 The department of revenue may promulgate such rules, pursuant to
2 chapter 34.05 RCW, as are necessary to properly administer this
3 section.

4 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
5 repealed:

- 6 (1) 2008 c 81 s 19 (uncodified);
7 (2) 2007 c 54 s 5;
8 (3) 2007 c 54 s 30 (uncodified);
9 (4) 2006 c 177 s 14 (uncodified); and
10 (5) 2005 c 296 s 6 (uncodified).

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