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SENATE BILL 5575

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State of Washington                      60th Legislature                      2007 Regular Session

By Senators Hobbs, Schoesler, Zarelli and Kilmer; by request of  
Department of Revenue

Read first time 01/24/2007. Referred to Committee on Ways & Means.

1            AN ACT Relating to an exemption from the business and occupation  
2 tax for the resale of natural or manufactured gas by consumers; and  
3 amending RCW 82.04.310.

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

5            **Sec. 1.** RCW 82.04.310 and 2000 c 245 s 2 are each amended to read  
6 as follows:

7            (1) This chapter shall not apply to any person in respect to a  
8 business activity with respect to which tax liability is specifically  
9 imposed under the provisions of chapter 82.16 RCW including amounts  
10 derived from activities for which a deduction is allowed under RCW  
11 82.16.050.

12            (2) This chapter does not apply to amounts received by any person  
13 for the sale of electrical energy for resale within or outside the  
14 state.

15            (3)(a) This chapter does not apply to amounts received by any  
16 person for the sale of natural or manufactured gas in a calendar year  
17 if that person sells within the United States a total amount of natural  
18 or manufactured gas in that calendar year that is no more than twenty

1 percent of the amount of natural or manufactured gas that it consumes  
2 within the United States in the same calendar year.

3 (b) For purposes of determining whether a person has sold within  
4 the United States a total amount of natural or manufactured gas in a  
5 calendar year that is no more than twenty percent of the amount of  
6 natural or manufactured gas that it consumes within the United States  
7 in the same calendar year, the following transfers of gas are not  
8 considered to be the sale of natural or manufactured gas:

9 (i) The transfer of any natural or manufactured gas as a result of  
10 the acquisition of another business, through merger or otherwise; or

11 (ii) The transfer of any natural or manufactured gas accomplished  
12 solely to comply with federal regulatory requirements imposed on the  
13 transportation of natural or manufactured gas over a pipeline by a  
14 third-party manager of a person's pipeline transportation.

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