

SENATE BILL REPORT

HB 2278

As Reported By Senate Committee On:
Ways & Means, March 10, 1998

Title: An act relating to exempting electric generating facilities powered by landfill gas from sales and use taxes.

Brief Description: Exempting electric generating facilities powered by landfill gas from sales and use taxes.

Sponsors: Representatives Honeyford and Lisk.

Brief History:

Committee Activity: Ways & Means: 3/10/98 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Hochstatter, Long, McDonald, Roach, Rossi, Schow, B. Sheldon, Swecker, Winsley and Zarelli.

Staff: David Schumacher (786-7474)

Background: The sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. The total tax rate is between 7 percent and 8.6 percent, depending on location. Sales tax applies when items are purchased at retail in state.

Use tax is imposed on the use of an item in this state when the acquisition of the item has not been subject to sales tax. Use tax applies to items purchased from sellers who do not collect sales tax, items acquired from out-of-state, and items produced by the person using the item.

Machinery and equipment used directly in generating electricity using wind or sun energy are exempt from sales and use tax. Installation costs are also exempt. Only facilities capable of generating 200 kilowatts of electricity are eligible for the exemption. The exemption ends June 30, 2005.

Summary of Bill: The machinery and equipment sales and use tax exemption for wind and sun energy facilities is extended to facilities using landfill gas.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill will create new jobs in Klickitat County and generate new revenue for the state and local governments.

Testimony Against: None.

Testified: Representative Honeyford, prime sponsor.