
SUBSTITUTE SENATE BILL 5231

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Energy & Utilities (originally sponsored by Senators Hochstatter, Finkbeiner, Goings, Long, Haugen, Rasmussen and Brown)

Read first time 02/24/97.

1 AN ACT Relating to sales and use taxes on electrical energy imposed
2 by the state, cities, and towns; adding a new section to chapter 82.12
3 RCW; adding a new section to chapter 82.14 RCW; and providing an
4 effective date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.12 RCW
7 to read as follows:

8 (1) There is hereby levied and there shall be collected from every
9 person in this state a use tax for the privilege of consuming
10 electricity within this state.

11 (2) The tax shall be levied and collected in an amount equal to the
12 value of the electricity multiplied by the rate in effect for the
13 public utility tax on a light and power business as defined under RCW
14 82.16.010. For the purposes of this section, "value of the
15 electricity" means the consideration paid, given, or contracted to be
16 paid or given by the purchaser of the electricity to the seller of the
17 electricity, but does not include any amounts that are paid for the
18 hire or use of a light and power business as defined in RCW 82.16.010

1 in transporting the electricity subject to tax under this subsection if
2 those amounts are subject to tax under chapter 82.16 RCW.

3 (3) The tax levied in this section does not apply to the
4 consumption of electricity generated by a person for the person's own
5 use.

6 (4) The tax levied in this section does not apply to the
7 consumption of electricity purchased from an agency or instrumentality
8 of the federal government, or from a seller who has paid a tax under
9 RCW 82.16.020 with respect to the electricity for which exemption is
10 sought under this subsection.

11 (5) There shall be a credit against the tax levied in this section
12 in an amount equal to the tax paid by:

13 (a) The seller of the electricity when that tax is a gross receipts
14 tax similar to that imposed under RCW 82.16.020 by another state with
15 respect to the electricity for which a credit is sought under this
16 subsection; or

17 (b) The person consuming the electricity upon which a use tax
18 similar to the tax imposed under this section was paid to another state
19 with respect to the electricity for which a credit is sought under this
20 subsection.

21 (6) The use tax imposed in this section shall be paid by the person
22 consuming the electricity to the department.

23 (7) A person delivering electricity to a person subject to tax in
24 this section shall make a quarterly report to the department. The
25 report shall contain the kilowatt hours of electricity delivered, name
26 of the person to whom it is delivered, and such other information as
27 the department may require by rule.

28 (8) Nothing in this section means that electricity is tangible
29 personal property.

30 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14 RCW
31 to read as follows:

32 (1) The governing body of a city, while not required by legislative
33 mandate to do so, may, by resolution or ordinance for the purposes
34 authorized by this chapter, fix and impose on every person a use tax
35 for the privilege of consuming electricity within the city.

36 (2) The tax shall be imposed in an amount equal to the value of the
37 electricity multiplied by the rate in effect for the tax on electrical
38 energy businesses under RCW 35.21.870 in the city in which the

1 electricity is consumed. The "value of the electricity" means the
2 consideration paid, given, or contracted to be paid or given by the
3 purchaser of the electricity to the seller of the electricity, but does
4 not include any amounts that are paid for the hire or use of an
5 electricity business in transporting the electricity subject to tax
6 under this subsection if those amounts are subject to tax under RCW
7 35.21.870.

8 (3) The tax levied in this section does not apply to the
9 consumption of electricity generated by a person for that person's own
10 use.

11 (4) The tax levied in this section does not apply to the
12 consumption of electricity purchased from an agency or instrumentality
13 of the federal government, or from a seller who has paid a tax under
14 RCW 35.21.870 with respect to the electricity for which exemption is
15 sought under this subsection.

16 (5) There shall be a credit against the tax levied in this section
17 in an amount equal to the tax paid by:

18 (a) The seller of the electricity when that tax is a gross receipts
19 tax similar to that imposed under RCW 35.21.870 by another state with
20 respect to the electricity for which a credit is sought under this
21 subsection; or

22 (b) The person consuming the electricity upon which a use tax
23 similar to the tax imposed under this section was paid to another state
24 with respect to the electricity for which a credit is sought under this
25 subsection.

26 (6) The use tax imposed in this section shall be paid by the person
27 consuming the electricity. The administration and collection of the
28 tax imposed under this section shall be under RCW 82.14.050.

29 (7) Nothing in this section means that electricity is tangible
30 personal property.

31 NEW SECTION. **Sec. 3.** This act takes effect August 1, 1997.

--- END ---