
SENATE BILL 5771

State of Washington **55th Legislature** **1997 Regular Session**

By Senator Finkbeiner; by request of Department of Revenue

Read first time 02/12/97. Referred to Committee on Energy & Utilities.

1 AN ACT Relating to use tax on electricity; adding a new section to
2 chapter 82.12 RCW; adding a new section to chapter 82.14 RCW; and
3 providing an effective date.

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

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

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

10 (2) The tax shall be levied and collected in an amount equal to the
11 value of the electricity multiplied by the rate in effect for the
12 public utility tax on a light and power business as defined under RCW
13 82.16.010. For the purposes of this section, "value of the
14 electricity" means the consideration paid, given, or contracted to be
15 paid or given by the purchaser of the electricity to the seller of the
16 electricity, but does not include any amounts that are paid for the
17 hire or use of a light and power business as defined in RCW 82.16.010
18 in transporting the electricity subject to tax under this subsection if
19 those amounts are subject to tax under chapter 82.16 RCW.

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

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

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

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

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

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

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

26 (8) Nothing in this section means that electricity is tangible
27 personal property.

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

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

34 (2) The tax shall be imposed in an amount equal to the value of the
35 electricity multiplied by the rate in effect for the tax on electrical
36 energy businesses under RCW 35.21.870 in the city in which the
37 electricity is consumed. The "value of the electricity" means the
38 consideration paid, given, or contracted to be paid or given by the

1 purchaser of the electricity to the seller of the electricity, but does
2 not include any amounts that are paid for the hire or use of an
3 electricity business in transporting the electricity subject to tax
4 under this subsection if those amounts are subject to tax under RCW
5 35.21.870.

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

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

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

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

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

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

27 (7) Nothing in this section means that electricity is tangible
28 personal property.

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

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