
HOUSE BILL 2755

State of Washington

56th Legislature

2000 Regular Session

By Representatives Gombosky, Crouse, Wood, Poulsen, Bush, Reardon, Mielke, Grant, McDonald, Delvin and Mastin

Read first time 01/19/2000. Referred to Committee on Technology, Telecommunications & Energy.

1 AN ACT Relating to clarifying the taxation of electrical energy
2 sales; amending RCW 82.16.050 and 82.04.310; and declaring an
3 emergency.

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

5 **Sec. 1.** RCW 82.16.050 and 1994 c 124 s 12 are each amended to read
6 as follows:

7 In computing tax there may be deducted from the gross income the
8 following items:

9 (1) Amounts derived by municipally owned or operated public service
10 businesses, directly from taxes levied for the support or maintenance
11 thereof: PROVIDED, That this section shall not be construed to exempt
12 service charges which are spread on the property tax rolls and
13 collected as taxes;

14 (2) Amounts derived from the sale of commodities to persons in the
15 same public service business as the seller, for resale as such within
16 this state. This deduction is allowed only with respect to water
17 distribution, (~~light and power,~~) gas distribution or other public
18 service businesses which furnish water, (~~electrical energy,~~) gas or
19 any other commodity in the performance of public service businesses;

1 (3) Amounts actually paid by a taxpayer to another person taxable
2 under this chapter as the latter's portion of the consideration due for
3 services furnished jointly by both, if the total amount has been
4 credited to and appears in the gross income reported for tax by the
5 former;

6 (4) The amount of cash discount actually taken by the purchaser or
7 customer;

8 (5) The amount of credit losses actually sustained by taxpayers
9 whose regular books of accounts are kept upon an accrual basis;

10 (6) Amounts derived from business which the state is prohibited
11 from taxing under the Constitution of this state or the Constitution or
12 laws of the United States;

13 (7) Amounts derived from the distribution of water through an
14 irrigation system, for irrigation purposes;

15 (8) Amounts derived from the transportation of commodities from
16 points of origin in this state to final destination outside this state,
17 or from points of origin outside this state to final destination in
18 this state, with respect to which the carrier grants to the shipper the
19 privilege of stopping the shipment in transit at some point in this
20 state for the purpose of storing, manufacturing, milling, or other
21 processing, and thereafter forwards the same commodity, or its
22 equivalent, in the same or converted form, under a through freight rate
23 from point of origin to final destination; and amounts derived from the
24 transportation of commodities from points of origin in the state to an
25 export elevator, wharf, dock or ship side on tidewater or navigable
26 tributaries thereto from which such commodities are forwarded, without
27 intervening transportation, by vessel, in their original form, to
28 interstate or foreign destinations: PROVIDED, That no deduction will
29 be allowed when the point of origin and the point of delivery to such
30 an export elevator, wharf, dock, or ship side are located within the
31 corporate limits of the same city or town;

32 (9) Amounts derived from the production, sale, or transfer of
33 electrical energy for resale within or outside the state or for
34 consumption outside the state;

35 (10) Amounts derived from the distribution of water by a nonprofit
36 water association and used for capital improvements by that nonprofit
37 water association;

1 (11) Amounts paid by a sewerage collection business taxable under
2 RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for the
3 treatment or disposal of sewage.

4 **Sec. 2.** RCW 82.04.310 and 1989 c 302 s 202 are each amended to
5 read as follows:

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

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

14 NEW SECTION. **Sec. 3.** (1) This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and takes effect
17 immediately.

18 (2) This act applies to all amounts due prior to and after the
19 effective date of this act.

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