
HOUSE BILL 3148

State of Washington 56th Legislature 2000 Regular Session

By Representatives Ericksen, Crouse, Linville and Dunn

Read first time 02/24/2000. Referred to Committee on Finance.

1 AN ACT Relating to sales and use tax exemptions for natural gas-
2 fired energy generating facilities; and amending RCW 82.08.02567 and
3 82.12.02567.

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

5 **Sec. 1.** RCW 82.08.02567 and 1999 c 358 s 4 are each amended to
6 read as follows:

7 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
8 machinery and equipment used directly in generating electricity using
9 wind, sun, natural gas in a combined cycle unit, or landfill gas as the
10 principal source of power, or to sales of or charges made for labor and
11 services rendered in respect to installing such machinery and
12 equipment, but only if the purchaser develops with such machinery,
13 equipment, and labor a facility capable of generating not less than two
14 hundred kilowatts of electricity and provides the seller with an
15 exemption certificate in a form and manner prescribed by the department
16 by rule. The seller shall retain a copy of the certificate for the
17 seller's files.

18 (2) For purposes of this section and RCW 82.12.02567:

1 (a) "Combined cycle unit" means an electric generating unit that:
2 (i) Consists of one or more combustion turbines and one or more boilers
3 with a portion of the required energy input to the boiler(s) provided
4 by the exhaust gas of the combustion turbine or turbines; and (ii) has
5 a heat rate efficiency of less than eight thousand British thermal
6 units per kilowatt hour.

7 (b) "Landfill gas" means biomass fuel of the type qualified for
8 federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill.
9 "Landfill" means a landfill as defined under RCW 70.95.030;

10 (~~(b)~~) (c) "Machinery and equipment" means industrial fixtures,
11 devices, and support facilities that are integral and necessary to the
12 generation of electricity using wind, sun, or landfill gas as the
13 principal source of power;

14 (~~(e)~~) (d) "Machinery and equipment" does not include: (i) Hand-
15 powered tools; (ii) property with a useful life of less than one year;
16 (iii) repair parts required to restore machinery and equipment to
17 normal working order; (iv) replacement parts that do not increase
18 productivity, improve efficiency, or extend the useful life of
19 machinery and equipment; (v) buildings; or (vi) building fixtures that
20 are not integral and necessary to the generation of electricity that
21 are permanently affixed to and become a physical part of a building;

22 (~~(d)~~) (e) Machinery and equipment is "used directly" in
23 generating electricity by wind energy, solar, or landfill gas power if
24 it provides any part of the process that captures the energy of the
25 wind, sun, or landfill gas, converts that energy to electricity, and
26 transforms or transmits that electricity for entry into electric
27 transmission and distribution systems.

28 (3) This section expires June 30, 2005.

29 **Sec. 2.** RCW 82.12.02567 and 1999 c 358 s 10 are each amended to
30 read as follows:

31 (1) The provisions of this chapter shall not apply with respect to
32 machinery and equipment used directly in generating not less than two
33 hundred kilowatts of electricity using wind, sun, natural gas in a
34 combined cycle unit, or landfill gas as the principal source of power.

35 (2) The definitions in RCW 82.08.02567 apply to this section.

36 (3) This section expires June 30, 2005.

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