
HOUSE BILL 2812

State of Washington

57th Legislature

2002 Regular Session

By Representatives Conway, Carrell, Talcott, Morell, Kirby and Darneille

Read first time 01/29/2002. Referred to Committee on Finance.

1 AN ACT Relating to a utility tax deduction for compressed natural
2 gas sold to transit districts; and amending RCW 82.16.050.

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

4 **Sec. 1.** RCW 82.16.050 and 2000 c 245 s 1 are each amended to read
5 as follows:

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

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

13 (2) Amounts derived from the sale of commodities to persons in the
14 same public service business as the seller, for resale as such within
15 this state. This deduction is allowed only with respect to water
16 distribution, gas distribution or other public service businesses which
17 furnish water, gas or any other commodity in the performance of public
18 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 (12) Amounts derived from the sale of compressed natural gas if:
5 (a) The gas is purchased for the purpose of public transportation and
6 the purchaser is entitled to a refund or an exemption under RCW
7 82.38.080(3); or (b) the gas is purchased by a private, nonprofit
8 transportation provider certified under chapter 81.66 RCW and the
9 purchaser is entitled to a refund or an exemption under RCW
10 82.38.080(1)(h).

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