
SENATE BILL 5541

State of Washington

57th Legislature

2001 Regular Session

By Senators Jacobsen, Eide, Patterson, Fraser, Regala, Kline, Spanel, Kohl-Welles, Roach and Winsley; by request of Governor Locke

Read first time 01/25/2001. Referred to Committee on Environment, Energy & Water.

1 AN ACT Relating to exempting electric generating facilities
2 powered by wind or sun energy from sales and use taxes; amending
3 RCW 82.08.02567 and 82.12.02567; providing an effective date;
4 providing expiration dates; and declaring an emergency.

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

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

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

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

2 (a) "Landfill gas" means biomass fuel of the type qualified for
3 federal tax credits under 26 U.S.C. Sec. 29 collected from a
4 landfill. "Landfill" means a landfill as defined under RCW
5 70.95.030;

6 (b) "Machinery and equipment" means industrial fixtures,
7 devices, and support facilities that are integral and necessary to
8 the generation of electricity using wind, sun, or landfill gas as
9 the principal source of power;

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

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

26 (3) This section expires June 30, (~~(2005)~~) 2009.

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

29 (1) The provisions of this chapter shall not apply with respect
30 to machinery and equipment used directly in generating not less
31 than two hundred (~~(kilowatts)~~) watts of electricity using wind,
32 sun, or landfill gas as the principal source of power.

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

34 (3) This section expires June 30, (~~(2005)~~) 2009.

35 NEW SECTION. **Sec. 3.** This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of
2 the state government and its existing public institutions, and
3 takes effect July 1, 2001.

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