
HOUSE BILL 1552

State of Washington

58th Legislature

2003 Regular Session

By Representative Kirby

Read first time 01/30/2003. Referred to Committee on Technology,
Telecommunications & Energy.

1 AN ACT Relating to use tax on electricity consumption; adding a new
2 section to chapter 82.12 RCW; adding a new section to chapter 82.14
3 RCW; and 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 electrical energy within this state.

10 (2) The tax shall be levied and collected in an amount equal to the
11 value of electrical energy multiplied by the rate in effect under RCW
12 82.16.020 for the public utility tax on a light and power business as
13 defined in RCW 82.16.010. For the purposes of this section:

14 (a) "Value of electrical energy" means the consideration paid,
15 given, or contracted to be paid or given by the purchaser of the
16 electrical energy to the seller of the electrical energy, but does not
17 include any amounts that are paid for distributing and transmitting
18 electrical energy subject to tax under this section if those amounts
19 are subject to tax under chapter 82.16 RCW.

1 (b) "Wheeling" means distributing and transmitting electrical
2 energy.

3 (3) The tax levied under this section does not apply to the
4 consumption of electrical energy generated for the person's own use.
5 For the purposes of this subsection:

6 (a) Electrical energy is considered as generated by a person for
7 that person's own use if the person owns or leases the generating
8 facility, or a portion of the facility, that supplies electrical energy
9 to the person, or has other financial arrangements with the owner of
10 the facility that are comparable to an ownership or lease interest.

11 (b) "Person" includes the person, affiliated parties to the person,
12 and the person's tenants.

13 (4) The tax levied under this section does not apply to the
14 consumption of electrical energy and capacity if the user is:

15 (a) A direct service industrial customer as defined in RCW
16 82.16.0495; or

17 (b) A company that had the ability, as of the effective date of
18 this act, to import into the state, over interstate transmission
19 facilities owned by the company, electrical energy purchased out of
20 state.

21 (5) The tax levied in this section does not apply to the
22 consumption of electrical energy purchased from a seller who has paid
23 a tax under RCW 82.16.020 with respect to electrical energy for which
24 exemption is sought under this subsection.

25 (6) There shall be a credit against the tax levied in this section
26 in an amount equal to the tax paid by:

27 (a) The seller or buyer of the electrical energy subject to a gross
28 receipts tax similar to that imposed under RCW 82.16.020 by any other
29 state or political subdivision of any other state or any foreign
30 country or political subdivision of any foreign country with respect to
31 the electrical energy for which a credit is sought under this
32 subsection; or

33 (b) The person consuming the electrical energy upon which a use tax
34 similar to the tax imposed under this section was paid to another state
35 with respect to the electrical energy for which a credit is sought
36 under this subsection.

37 (7)(a) A light and power business wheeling electrical energy to a
38 person subject to the tax under this section shall make a quarterly

1 report to the department. The report must contain the kilowatt hours
2 of electrical energy delivered and other information as the department
3 may require.

4 (b) The obligation of a light and power business to make a
5 quarterly report under this section does not apply to the light and
6 power business if the seller of the electrical energy subject to the
7 tax under this section is licensed or registered to do business in the
8 state.

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

11 (1) The governing body of a city or town, while not required by
12 legislative mandate to do so, may, by resolution or ordinance for the
13 purposes authorized by this section, fix and impose on every person a
14 use tax for the privilege of consuming electrical energy within the
15 city.

16 (2) The tax shall be levied and collected in an amount equal to the
17 value of electrical energy multiplied by the rate in effect for the tax
18 on electrical energy businesses under RCW 35.21.870 in the city in
19 which the electrical energy is consumed. For the purposes of this
20 section:

21 (a) "Value of electrical energy" means the consideration paid,
22 given, or contracted to be paid or given by the purchaser of the
23 electrical energy to the seller of the electrical energy, but does not
24 include any amounts that are paid for distributing and transmitting
25 electrical energy subject to tax under this section if those amounts
26 are subject to tax under chapter 35.21 RCW.

27 (b) "Wheeling" means distributing and transmitting electrical
28 energy.

29 (3) The tax levied under this section does not apply to the
30 consumption of electrical energy generated for that person's own use.
31 For the purposes of this subsection:

32 (a) Electrical energy is considered as generated by a person for
33 that person's own use if the person owns or leases the generating
34 facility, or a portion of the facility that supplies electrical energy
35 to the person, or has other financial arrangements with the owner of
36 the facility that are comparable to an ownership or lease interest.

1 (b) "Person" includes the person, affiliated parties to the person,
2 and the person's tenants.

3 (4) The tax levied under this section does not apply to the
4 consumption of electrical energy and capacity if the user is:

5 (a) A direct service industrial customer as defined in RCW
6 82.16.0495; or

7 (b) A company that had the ability, as of the effective date of
8 this act, to import into the state, over interstate transmission
9 facilities owned by the company, electrical energy purchased out of
10 state.

11 (5) The tax levied in this section does not apply to the
12 consumption of electrical energy purchased from a seller who has paid
13 a tax under RCW 35.21.870 with respect to electrical energy for which
14 exemption is sought under this subsection.

15 (6) The tax levied in this section does not apply to the
16 consumption of electrical energy purchased from a seller who has paid
17 a tax under RCW 35.21.870 with respect to electrical energy for which
18 exemption is sought under this subsection.

19 (7) There shall be a credit against the tax levied in this section
20 in an amount equal to the tax paid by:

21 (a) The seller or buyer of the electrical energy subject to a gross
22 receipts tax similar to that authorized under RCW 35.21.870 and imposed
23 by any other state or political subdivision of any other state with
24 respect to the electrical energy for which a credit is sought under
25 this subsection; or

26 (b) The person consuming the electrical energy upon which a use tax
27 similar to the tax imposed under this section was paid to another state
28 with respect to the electrical energy for which a credit is sought
29 under this subsection.

30 (8) The tax imposed in this section shall be paid by the person
31 consuming the electrical energy. The administration and collection of
32 the tax imposed under this section shall be as provided under RCW
33 82.14.050.

34 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2003.

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