
SUBSTITUTE HOUSE BILL 1293

State of Washington

59th Legislature

2005 Regular Session

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, McCoy and Dunn)

READ FIRST TIME 03/04/05.

1 AN ACT Relating to the excise taxation of new gas turbine
2 electrical generation facilities; amending RCW 82.45.032 and 82.45.060;
3 adding a new section to chapter 82.08 RCW; adding a new section to
4 chapter 82.12 RCW; creating a new section; and providing an effective
5 date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW
8 to read as follows:

9 (1) The tax levied by RCW 82.08.020 does not apply to sales of
10 machinery and equipment used directly in generating electricity from
11 new gas turbine electrical generation facilities, but only if the
12 purchaser provides the seller with an exemption certificate in a form
13 and manner prescribed by the department. The seller shall retain a
14 copy of the certificate for the seller's files.

15 (2) For purposes of this section and section 2 of this act:

16 (a) "Gas turbine electrical generation facility" and "new gas
17 turbine electrical generation facility" have the same meanings as
18 provided in RCW 82.45.032.

1 (b) "Machinery and equipment" means industrial fixtures, devices,
2 and support facilities that are integral and necessary to the
3 generation of electricity.

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

12 (d) Machinery and equipment is "used directly" in generating
13 electricity if it is part of the process that converts any type of
14 nonelectrical energy into electricity.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW
16 to read as follows:

17 (1) The provisions of this chapter do not apply in respect to the
18 use of machinery and equipment used directly in generating electricity
19 from new gas turbine electrical generation facilities.

20 (2) The definitions in section 1 of this act apply to this section.

21 **Sec. 3.** RCW 82.45.032 and 2001 c 282 s 2 are each amended to read
22 as follows:

23 Unless the context clearly requires otherwise, the definitions in
24 this section apply throughout this chapter.

25 (1) "Real estate" or "real property" means any interest, estate, or
26 beneficial interest in land or anything affixed to land, including the
27 ownership interest or beneficial interest in any entity which itself
28 owns land or anything affixed to land. The term includes used mobile
29 homes, used park model trailers, used floating homes, and improvements
30 constructed upon leased land.

31 (2) "Used mobile home" means a mobile home which has been
32 previously sold at retail and has been subjected to tax under chapter
33 82.08 RCW, or which has been previously used and has been subjected to
34 tax under chapter 82.12 RCW, and which has substantially lost its
35 identity as a mobile unit at the time of sale by virtue of its being

1 fixed in location upon land owned or leased by the owner of the mobile
2 home and placed on a foundation (posts or blocks) with fixed pipe
3 connections with sewer, water, and other utilities.

4 (3) "Mobile home" means a mobile home as defined by RCW 46.04.302,
5 as now or hereafter amended.

6 (4) "Park model trailer" means a park model trailer as defined in
7 RCW 46.04.622.

8 (5) "Used floating home" means a floating home in respect to which
9 tax has been paid under chapter 82.08 or 82.12 RCW.

10 (6) "Used park model trailer" means a park model trailer that has
11 been previously sold at retail and has been subjected to tax under
12 chapter 82.08 RCW, or that has been previously used and has been
13 subjected to tax under chapter 82.12 RCW, and that has substantially
14 lost its identity as a mobile unit by virtue of its being permanently
15 sited in location and placed on a foundation of either posts or blocks
16 with connections with sewer, water, or other utilities for the
17 operation of installed fixtures and appliances.

18 (7) "Floating home" means a building on a float used in whole or in
19 part for human habitation as a single-family dwelling, which is not
20 designed for self propulsion by mechanical means or for propulsion by
21 means of wind, and which is on the property tax rolls of the county in
22 which it is located.

23 (8) "Gas turbine electrical generation facility" means all
24 buildings, machinery, equipment, and other real property which is used
25 primarily for generating electricity, the land upon which the property
26 is located, or the land that is reasonably necessary in the generation
27 of the electricity, if the electricity is generated or is to be
28 generated using a single cycle or combined cycle gas combustion turbine
29 fueled by natural or manufactured gas.

30 (9) "New gas turbine electrical generation facility" means a gas
31 turbine electrical generation facility that does not exist before the
32 effective date of this section.

33 **Sec. 4.** RCW 82.45.060 and 2000 c 103 s 15 are each amended to read
34 as follows:

35 (1) There is imposed an excise tax upon each sale of real property
36 at the rate of one and twenty-eight one-hundredths percent of the

1 selling price. An amount equal to seven and seven-tenths percent of
2 the proceeds of this tax to the state treasurer shall be deposited in
3 the public works assistance account created in RCW 43.155.050.

4 (2) There is imposed an additional excise tax upon each sale of
5 real property that is a new gas turbine electrical generation facility
6 that received site certification under chapter 80.50 RCW before July 1,
7 2005. The rate of tax imposed under this subsection is twenty-five
8 one-hundredths percent of the selling price.

9 NEW SECTION. Sec. 5. If any state or federal court invalidates
10 any portion of this act, this act is null and void in its entirety.

11 NEW SECTION. Sec. 6. This act takes effect January 1, 2006.

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