
HOUSE BILL 2770

State of Washington 59th Legislature 2006 Regular Session

By Representatives Ericksen, Dunn, Linville and Holmquist

Read first time 01/12/2006. Referred to Committee on Technology,
Energy & Communications.

1 AN ACT Relating to tax relief for the use of technology with
2 reduced environmental impact; amending RCW 82.08.900 and 82.12.900;
3 adding a new section to chapter 82.04 RCW; and providing an effective
4 date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
7 to read as follows:

8 (1) In computing the tax imposed under this chapter, a credit is
9 allowed for investment related to pressurized steam pulp washing
10 technology acquired by a paper manufacturer after the effective date of
11 this section to be used in the manufacturing of pulp, paper, newsprint,
12 or paperboard by the paper manufacturer. The credit is equal to: (a)
13 The purchase price or lease price of the pulp washing technology, and
14 charges made for labor and services rendered in respect to installing
15 such technology, if the technology will be located in a rural county;
16 or (b) fifty percent of the purchase price or lease price of the pulp
17 washing technology, and fifty percent of charges made for labor and
18 services rendered in respect to installing such technology, if the
19 technology will not be located in a rural county. The credit under

1 this subsection shall only be taken for the first ten years of any
2 lease of pressurized steam pulp washing technology or the duration of
3 the lease, whichever is shorter in time.

4 (2) In computing the tax imposed under this chapter, a credit is
5 allowed for the purchase of anaerobic digestion technology acquired by
6 a person after the effective date of this section. The credit is equal
7 to: (a) The purchase price or lease price of the anaerobic digestion
8 technology, and charges made for labor and services rendered in respect
9 to installing such technology, if the technology will be located in a
10 rural county; or (b) fifty percent of the purchase price or lease price
11 of the anaerobic digestion technology, and fifty percent of charges
12 made for labor and services rendered in respect to installing such
13 technology, if the technology will not be located in a rural county.
14 The credit under this subsection shall only be taken for the first ten
15 years of any lease of anaerobic digestion technology, or the duration
16 of the lease, whichever is shorter in time.

17 (3) An application must be made to the department before taking a
18 credit authorized under this section. The application shall be made to
19 the department in a form and manner prescribed by the department. The
20 application shall contain information regarding the uses of the
21 pressurized steam pulp washing technology or anaerobic digestion
22 technology, total cost of acquiring the technology, date of
23 acquisition, and other information required by the department. The
24 department shall rule on the application within sixty days.

25 (4) A person taking a credit under this section must keep records
26 necessary for the department to verify eligibility for the credit under
27 this section.

28 (5) Credits under this section may be carried over until used. No
29 refunds may be granted for credits under this section.

30 (6) For the purposes of this section, the following definitions
31 apply:

32 (a) "Anaerobic digestion technology" means: (i) Machinery and
33 equipment that processes manure from livestock into biogas and dried
34 manure using microorganisms in a decomposition process within a closed,
35 oxygen-free container; and (ii) tangible personal property that becomes
36 an ingredient or component of the machinery or equipment.

37 (b) "Paper manufacturer" means a person that is primarily engaged
38 in manufacturing pulp, paper, newsprint, and paperboard.

1 (c) "Pressurized steam pulp washing technology" means machinery and
2 equipment that uses a pressure vessel that discharges steam to wash
3 unbleached pulp for paper product-making purposes and that is designed
4 to reduce water consumption in pulp washing processes relative to
5 conventional pulp washing processes that use drum washers, rewashers,
6 and deckers.

7 (d) "Rural county" has the same meaning as provided in RCW
8 82.14.370.

9 **Sec. 2.** RCW 82.08.900 and 2001 2nd sp.s. c 18 s 4 are each amended
10 to read as follows:

11 (1) The tax levied by RCW 82.08.020 does not apply to sales to an
12 eligible person establishing or operating an anaerobic digester or to
13 services rendered in respect to installing, constructing, repairing,
14 cleaning, altering, or improving an anaerobic digester, or to sales of
15 tangible personal property that becomes an ingredient or component of
16 the anaerobic digester. The anaerobic digester must be used primarily
17 to treat ((dairy)) livestock manure.

18 (2)(a) The department of revenue must provide an exemption
19 certificate to an eligible person upon application by that person. The
20 application must be in a form and manner prescribed by the department
21 and must contain information regarding the location of the facility and
22 other information as the department may require.

23 (b) The exemption is available only when the buyer provides the
24 seller with an exemption certificate in a form and manner prescribed by
25 the department. The seller must retain a copy of the certificate for
26 the seller's files.

27 (3) The definitions in this subsection apply to this section and
28 RCW 82.12.900 unless the context clearly requires otherwise:

29 (a) "Anaerobic digester" means a facility that processes manure
30 from ((cattle)) livestock into biogas and dried manure using
31 microorganisms in a decomposition process within a closed, oxygen-free
32 container.

33 (b) "Eligible person" means any person establishing or operating an
34 anaerobic digester to treat primarily ((dairy)) livestock manure.

35 (c) "Primarily" means more than fifty percent measured by volume or
36 weight.

1 **Sec. 3.** RCW 82.12.900 and 2003 c 5 s 16 are each amended to read
2 as follows:

3 The provisions of this chapter do not apply with respect to the use
4 of anaerobic digesters, tangible personal property that becomes an
5 ingredient or component of anaerobic digesters, or the use of services
6 rendered in respect to installing, repairing, cleaning, altering, or
7 improving eligible tangible personal property by an eligible person
8 establishing or operating an anaerobic digester, as defined in RCW
9 82.08.900. The anaerobic digester must be used primarily to treat
10 ((dairy)) livestock manure.

11 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2006.

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