
SUBSTITUTE HOUSE BILL 2799

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Chase, Morris, Crouse, Eickmeyer, Clibborn, P. Sullivan, Hunt, McCoy, Miloscia, Grant, Sells, Williams, McCune, Moeller, Conway, Upthegrove, Morrell, Simpson, Kilmer, Kagi, Hudgins, Dunn and Darneille)

READ FIRST TIME 02/07/06.

1 AN ACT Relating to providing tax exemptions for solar hot water
2 systems; and amending RCW 82.08.02567.

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

4 **Sec. 1.** RCW 82.08.02567 and 2004 c 152 s 1 are each amended to
5 read as follows:

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

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

18 (a) "Landfill gas" means biomass fuel of the type qualified for

1 federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill.

2 "Landfill" means a landfill as defined under RCW 70.95.030;

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

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

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

22 (e) "Fuel cell" means an electrochemical reaction that generates
23 electricity by combining atoms of hydrogen and oxygen in the presence
24 of a catalyst;

25 (f) "Solar hot water collector" means those collectors that have
26 been rated and currently listed by the solar rating and certification
27 corporation.

28 (3) This section expires June 30, 2009.

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