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HOUSE BILL 2799

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State of Washington

59th Legislature

2006 Regular Session

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 01/13/2006. Referred to Committee on Technology, Energy & Communications.

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

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

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

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

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

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

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

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

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