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SENATE BILL 5508

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State of Washington

59th Legislature

2005 Regular Session

By Senators Doumit and Hewitt

Read first time 01/26/2005. Referred to Committee on Ways & Means.

1 AN ACT Relating to sales and use tax exemptions for light and power  
2 businesses; adding a new section to chapter 82.08 RCW; adding a new  
3 section to chapter 82.12 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 82.08 RCW  
6 to read as follows:

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

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

14 (a) "Light and power business" has the same meaning as defined RCW  
15 82.16.010.

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

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

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

12 (e) "New generation facilities" do not include facilities in  
13 existence prior to the effective date of this act and are limited to  
14 gas-fired generation.

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 by a light and power business of machinery and equipment used  
19 directly in generating electricity in new generation facilities.

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

21 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2006.

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