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SENATE BILL 6379

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State of Washington

59th Legislature

2006 Regular Session

By Senators Poulsen, Morton, Fraser, Finkbeiner, Rockefeller and Rasmussen; by request of Department of Community, Trade, and Economic Development

Read first time 01/11/2006. Referred to Committee on Water, Energy & Environment.

1 AN ACT Relating to temporarily increasing the statewide cap for the  
2 public utility tax credit provided by RCW 82.16.0497; amending RCW  
3 82.16.0497; and providing an effective date.

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

5 **Sec. 1.** RCW 82.16.0497 and 2001 c 214 s 13 are each amended to  
6 read as follows:

7 (1) Unless the context clearly requires otherwise, the definitions  
8 in this subsection apply throughout this section.

9 (a) "Base credit" means the maximum amount of credit against the  
10 tax imposed by this chapter that each light and power business or gas  
11 distribution business may take each fiscal year as calculated by the  
12 department. The base credit is equal to the proportionate share that  
13 the total grants received by each light and power business or gas  
14 distribution business in the prior fiscal year bears to the total  
15 grants received by all light and power businesses and gas distribution  
16 businesses in the prior fiscal year multiplied by eight million five  
17 hundred thousand dollars for fiscal year 2007, and two million five  
18 hundred thousand dollars for all other fiscal years before and after  
19 fiscal year 2007.

1 (b) "Billing discount" means a reduction in the amount charged for  
2 providing service to qualifying persons in Washington made by a light  
3 and power business or a gas distribution business. Billing discount  
4 does not include grants received by the light and power business or a  
5 gas distribution business.

6 (c) "Grant" means funds provided to a light and power business or  
7 gas distribution business by the department of community, trade, and  
8 economic development or by a qualifying organization.

9 (d) "Low-income home energy assistance program" means energy  
10 assistance programs for low-income households as defined on December  
11 31, 2000, in the low-income home energy assistance act of 1981 as  
12 amended August 1, 1999, 42 U.S.C. Sec. 8623 et seq.

13 (e) "Qualifying person" means a Washington resident who applies for  
14 assistance and qualifies for a grant regardless of whether that person  
15 receives a grant.

16 (f) "Qualifying contribution" means money given by a light and  
17 power business or a gas distribution business to a qualifying  
18 organization, exclusive of money received in the prior fiscal year from  
19 its customers for the purpose of assisting other customers.

20 (g) "Qualifying organization" means an entity that has a  
21 contractual agreement with the department of community, trade, and  
22 economic development to administer in a specified service area low-  
23 income home energy assistance funds received from the federal  
24 government and such other funds that may be received by the entity.

25 (2) Subject to the limitations in this section, a light and power  
26 business or a gas distribution business may take a credit each fiscal  
27 year against the tax imposed under this chapter.

28 (a)(i) A credit may be taken for qualifying contributions if the  
29 dollar amount of qualifying contributions for the fiscal year in which  
30 the tax credit is taken is greater than one hundred twenty-five percent  
31 of the dollar amount of qualifying contributions given in fiscal year  
32 2000.

33 (ii) If no qualifying contributions were given in fiscal year 2000,  
34 a credit shall be allowed for the first fiscal year that qualifying  
35 contributions are given. Thereafter, credit shall be allowed if the  
36 qualifying contributions given exceed one hundred twenty-five percent  
37 of qualifying contributions given in the first fiscal year.

1 (iii) The amount of credit shall be fifty percent of the dollar  
2 amount of qualifying contributions given in the fiscal year in which  
3 the tax credit is taken.

4 (b)(i) A credit may be taken for billing discounts if the dollar  
5 amount of billing discounts for the fiscal year in which the tax credit  
6 is taken is greater than one hundred twenty-five percent of the dollar  
7 amount of billing discounts given in fiscal year 2000.

8 (ii) If no billing discounts were given in fiscal year 2000, a  
9 credit shall be allowed in the first fiscal year that billing discounts  
10 are given. Thereafter, credit shall be allowed if the dollar amount of  
11 billing discounts given exceeds one hundred twenty-five percent of  
12 billing discounts given in the first fiscal year.

13 (iii) The amount of credit shall be fifty percent of the dollar  
14 amount of the billing discounts given in the fiscal year in which the  
15 tax credit is taken.

16 (c) The total amount of credit that may be taken for qualifying  
17 contributions and billing discounts in a fiscal year is limited to the  
18 base credit for the same fiscal year.

19 (3)(a)(i) Except as provided in (a)(ii) of this subsection, the  
20 total amount of credit, statewide, that may be taken in any fiscal year  
21 shall not exceed two million five hundred thousand dollars.

22 (ii) The total amount of credit, statewide, that may be taken in  
23 fiscal year 2007 shall not exceed eight million five hundred thousand  
24 dollars.

25 (b) By May 1st of each year starting in 2002, the department of  
26 community, trade, and economic development shall notify the department  
27 of revenue in writing of the grants received in the current fiscal year  
28 by each light and power business and gas distribution business.

29 (4)(a) Not later than June 1st of each year beginning in 2002, the  
30 department shall publish the base credit for each light and power  
31 business and gas distribution business for the next fiscal year.

32 (b) Not later than July 1st of each year beginning in 2002,  
33 application for credit must be made to the department including but not  
34 limited to the following information: Billing discounts given by the  
35 applicant in fiscal year 2000; qualifying contributions given by the  
36 applicant in the prior fiscal year; the amount of money received in the  
37 prior fiscal year from customers for the purpose of assisting other  
38 customers; the base credit for the next fiscal year for the applicant;

1 the qualifying contributions anticipated to be given in the next fiscal  
2 year; and billing discounts anticipated to be given in the next fiscal  
3 year. No credit under this section will be allowed to a light and  
4 power business or gas distribution business that does not file the  
5 application by July 1st.

6 (c) Not later than August 1st of each year beginning in 2002, the  
7 department shall notify each applicant of the amount of credit that may  
8 be taken in that fiscal year.

9 (d) The balance of base credits not used by other light and power  
10 businesses and gas distribution businesses shall be ratably distributed  
11 to applicants under the formula in subsection (1)(a) of this section.  
12 The total amount of credit that may be taken by an applicant is the  
13 base credit plus any ratable portion of unused base credit.

14 (5) The credit taken under this section is limited to the amount of  
15 tax imposed under this chapter for the fiscal year. The credit must be  
16 claimed in the fiscal year in which the billing reduction is made. Any  
17 unused credit expires. Refunds shall not be given in place of credits.

18 (6) No credit may be taken for billing discounts made before July  
19 1, 2001. Within two weeks of May 8, 2001, the department of community,  
20 trade, and economic development shall notify the department of revenue  
21 in writing of the grants received in fiscal year 2001 by each light and  
22 power business and gas distribution business. Within four weeks of May  
23 8, 2001, the department of revenue shall publish the base credit for  
24 each light and power business and gas distribution business for fiscal  
25 year 2002. Within eight weeks of May 8, 2001, application to the  
26 department must be made showing the information required in subsection  
27 (4)(b) of this section. Within twelve weeks of May 8, 2001, the  
28 department shall notify each applicant of the amount of credit that may  
29 be taken in fiscal year 2002.

30 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2006.

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