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**SUBSTITUTE SENATE BILL 6516**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senate Committee on Water, Energy & Environment (originally sponsored by Senators Fraser, Mulliken, Pridemore, Morton, Poulsen, Rockefeller, Regala, Benton, Rasmussen, Kline and Keiser)

READ FIRST TIME 02/02/06.

1       AN ACT Relating to sales and use tax exemptions to encourage the  
2 use of alternative fuels; adding a new section to chapter 82.08 RCW;  
3 adding a new section to chapter 82.12 RCW; providing an effective date;  
4 and providing an expiration 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 82.08 RCW  
7 to read as follows:

8       (1) The tax levied by RCW 82.08.020 does not apply to the sale of,  
9 and labor and services rendered in respect to, tangible personal  
10 property installed on a motor vehicle if the property is integral and  
11 necessary for the vehicle to operate using an alternative fuel. Only  
12 parts and other components that are integral and necessary for a motor  
13 vehicle to operate using an alternative fuel are exempt under this  
14 section.

15       (2) The exemption is available only when the buyer provides the  
16 seller with an exemption certificate in a form and manner prescribed by  
17 the department. The seller must retain a copy of the certificate for  
18 the seller's files.

1 (3) For the purposes of this section, "alternative fuel" means a  
2 fuel that is at least fifty percent, by volume, alcohol fuel, biodiesel  
3 fuel, biodiesel feedstock, or wood biomass fuel, as these terms are  
4 defined in RCW 82.29A.135.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW  
6 to read as follows:

7 (1) The provisions of this chapter do not apply in respect to the  
8 use of tangible personal property, labor, or services if the property,  
9 labor, or services are integral and necessary for the vehicle to  
10 operate using an alternative fuel. Only parts and other components  
11 that are integral and necessary for a motor vehicle to operate using an  
12 alternative fuel are exempt under this section.

13 (2) For the purposes of this section, "alternative fuel" means a  
14 fuel that is at least fifty percent, by volume, alcohol fuel, biodiesel  
15 fuel, biodiesel feedstock, or wood biomass fuel, as these terms are  
16 defined in RCW 82.29A.135.

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

18 NEW SECTION. **Sec. 4.** This act expires July 1, 2016.

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