
SUBSTITUTE SENATE BILL 6524

State of Washington

59th Legislature

2006 Regular Session

By Senate Committee on Water, Energy & Environment (originally sponsored by Senators Rasmussen, Morton, Poulsen, Rockefeller, Honeyford and Benton)

READ FIRST TIME 02/02/06.

1 AN ACT Relating to providing incentives for the conversion of
2 methane gas to a useable fuel; adding a new section to chapter 82.08
3 RCW; adding a new section to chapter 82.12 RCW; creating a new section;
4 providing an effective date; and providing expiration dates.

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

6 NEW SECTION. **Sec. 1.** The legislature seeks to encourage the
7 conversion of methane gas to a useable fuel for use in motor vehicles,
8 the generation of electricity, or other off-site fuel consumption.
9 This conversion provides an alternative use for methane gas projects
10 and provides environmental benefits because it is a clean burning fuel.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
12 to read as follows:

13 (1) The tax levied by RCW 82.08.020 does not apply to sales of
14 machinery and equipment, or to services rendered in respect to
15 constructing structures, installing, constructing, repairing, cleaning,
16 decorating, altering, or improving of new or existing structures or new
17 or existing machinery and equipment, or to sales of tangible personal
18 property that becomes an ingredient or component of new or existing

1 structures or new or existing machinery and equipment, if the
2 machinery, equipment, or structure is integral and necessary for the
3 conversion of methane gas to a useable fuel.

4 (2) The tax levied by RCW 82.08.020 does not apply to charges made
5 for labor and services rendered in respect to installing, repairing,
6 cleaning, altering, or improving vehicles including new parts, repair
7 parts, and replacement parts, integral and necessary for the conversion
8 to operate the vehicles on liquid fuel or compressed natural gas
9 converted from methane gas.

10 (3) A person taking the exemption under this section must keep
11 records necessary for the department to verify eligibility under this
12 section. The exemption is available only when the buyer provides the
13 seller with an exemption certificate in a form and manner prescribed by
14 the department. The seller shall retain a copy of the certificate for
15 the seller's files.

16 (4) The definitions in this subsection apply throughout this
17 section and section 3 of this act.

18 (a) "Machinery and equipment" means industrial fixtures, devices,
19 and support facilities and tangible personal property that becomes an
20 ingredient or component thereof, including repair parts and replacement
21 parts that are integral and necessary for the conversion of methane gas
22 into a useable fuel.

23 (b) "Methane gas" means a renewable, waste, or stranded source of
24 methane gas from a landfill, anaerobic digestion system, agricultural
25 waste, or sewage system.

26 (c) "Useable fuel" means a liquid or compressed gas that can be
27 used as fuel for a motor vehicle, be used to generate electricity, or
28 be used as a fuel in other off-site consumption.

29 (5) This section expires July 1, 2009.

30 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
31 to read as follows:

32 (1) The provisions of this chapter do not apply with respect to the
33 use of machinery and equipment, or to services rendered in respect to
34 constructing structures, installing, constructing, repairing, cleaning,
35 decorating, altering, or improving of new or existing structures or new
36 or existing machinery and equipment, or tangible personal property that

1 becomes an ingredient or component of new or existing structures or new
2 or existing machinery and equipment, integral and necessary for the
3 conversion of methane gas to a useable fuel.

4 (2) The provisions of this chapter do not apply to charges made for
5 labor and services rendered in respect to installing, repairing,
6 cleaning, altering, or improving vehicles including new parts, repair
7 parts, and replacement parts, integral and necessary for the conversion
8 to operate the vehicles on liquid fuel or compressed natural gas
9 converted from methane gas.

10 (3) The definitions in section 2 of this act apply in this section.

11 (4) This section expires July 1, 2009.

12 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2006.

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