

# HOUSE BILL REPORT

## HB 3188

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**As Passed House:**  
February 18, 2008

**Title:** An act relating to exempting waste vegetable oil from excise tax.

**Brief Description:** Exempting waste vegetable oil from excise tax.

**Sponsors:** By Representatives Roach, Hurst, McCune and Dunn.

**Brief History:**

**Committee Activity:**

Finance: 2/6/08, 2/12/08 [DP].

**Floor Activity:**

Passed House: 2/18/08, 94-1.

**Brief Summary of Bill**

- Exempts the sale of waste vegetable oil from excise taxes.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 9 members: Representatives Hunter, Chair; Hasegawa, Vice Chair; Orcutt, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Conway, Ericks, McIntire, Roach and Santos.

**Staff:** Jeff Mitchell (786-7139).

**Background:**

Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. The state tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 2.4 percent depending on the location.

The special fuel tax applies to all combustible gases and liquids suitable for generating power to propel motor vehicles, except gasoline. The main types of fuels subject to the special fuel tax are diesel, natural gas, propane, butane, and a certain dyed fuel prescribed by federal law.

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Several categories of uses are exempt from the special fuel tax, including using such fuel for street and highway construction and maintenance purposes in government-owned or operated motor vehicles, in publicly-owned fire fighting equipment, and in special mobile equipment related to construction.

Special fuel subject to the special fuel tax is exempt from retail sales and use taxes. However, if special fuel is exempt from the special fuel tax then retail sales and use taxes usually apply.

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**Summary of Bill:**

The use of waste vegetable oil used by a person in the production of biodiesel for noncommercial use is exempt from special fuel taxes.

The sale of waste vegetable oil used by a person in the production of biodiesel for noncommercial use is exempt from retail sales and use taxes.

Waste vegetable oil is defined as cooking oil gathered from restaurants or commercial food processors.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2008.

**Staff Summary of Public Testimony:**

(In support) Waste vegetable oil is a protest against foreign oil. Waste vegetable oil fuel is a much cleaner fuel than petroleum diesel. Emissions from waste vegetable oil are similar to biodiesel. Biofuels are carbon neutral. Biofuels do not have sulfur in them. Carbon emissions are substantially reduced. Particulate matter is significantly reduced. There would be an economic benefit to Washington farmers. Biofuels in Europe are much less expensive than petroleum fuels. Commercial biodiesel producers are not taxed on waste vegetable oil they collect. Taxes should not inhibit innovation and experimentation.

(Opposed) None.

**Persons Testifying:** Gary Morris.

**Persons Signed In To Testify But Not Testifying:** None.