

FINAL BILL REPORT

HB 3188

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Synopsis as Enacted

Brief Description: Exempting waste vegetable oil from excise tax.

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

House Committee on Finance

Senate Committee on Ways & Means

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.

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 firefighting 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.

Summary:

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.

Votes on Final Passage:

House	94	1
Senate	49	0

Effective: July 1, 2008