

FINAL BILL REPORT

SSB 6614

C 295 L 10
Synopsis as Enacted

Brief Description: Clarifying the applicability of business and occupation tax to conservation programs with the Bonneville power administration.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Pridemore, Zarelli, Morton, Delvin and Marr).

Senate Committee on Ways & Means

Background: The Bonneville Power Administration (BPA) operates two programs that allows utilities to receive credits on their monthly purchases of power from BPA. From 2001 through 2006, the Conservation and Renewable Discount Program funded local weatherization and conservation programs. That program was replaced by the Conservation Rate Credit.

To fund larger conservation projects, BPA used the Conservation Augmentation Program from 2001 through 2006. That program was replaced by the Conservation Acquisition Agreement program. These programs allowed utilities to request specific funding for a project that would reduce a customer's power consumption.

The Department of Revenue has concluded that the credits and payments received by utilities under the above programs are subject to the business and occupation tax.

Summary: Credits or funds provided by the BPA for the purposes of implementing energy conservation programs or demand-side management programs are exempt from the business and occupation tax.

The exemption from the business and occupation tax expires June 30, 2015.

Votes on Final Passage:

Senate	47	0
House	95	2

Effective: June 10, 2010

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.