
HOUSE BILL 1009

State of Washington 61st Legislature 2009 Regular Session

By Representatives Morris, Chase, Liias, Anderson, Orcutt, Seaquist, Hudgins, and Moeller

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1 AN ACT Relating to extending the expiration dates for existing
2 sales and use tax exemptions related to certain electricity generation;
3 amending RCW 82.08.02567 and 82.12.02567; providing an effective date;
4 providing expiration dates; and declaring an emergency.

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

6 **Sec. 1.** RCW 82.08.02567 and 2004 c 152 s 1 are each amended to
7 read as follows:

8 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
9 machinery and equipment used directly in generating electricity using
10 fuel cells, wind, sun, or landfill gas as the principal source of
11 power, or to sales of or charges made for labor and services rendered
12 in respect to installing such machinery and equipment, but only if the
13 purchaser develops with such machinery, equipment, and labor a facility
14 capable of generating not less than two hundred watts of electricity
15 and provides the seller with an exemption certificate in a form and
16 manner prescribed by the department. The seller shall retain a copy of
17 the certificate for the seller's files.

18 (2) For purposes of this section and RCW 82.12.02567:

1 (a) "Landfill gas" means biomass fuel of the type qualified for
2 federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill.
3 "Landfill" means a landfill as defined under RCW 70.95.030;

4 (b) "Machinery and equipment" means industrial fixtures, devices,
5 and support facilities that are integral and necessary to the
6 generation of electricity using fuel cells, wind, sun, or landfill gas
7 as the principal source of power;

8 (c) "Machinery and equipment" does not include: (i) Hand-powered
9 tools; (ii) property with a useful life of less than one year; (iii)
10 repair parts required to restore machinery and equipment to normal
11 working order; (iv) replacement parts that do not increase
12 productivity, improve efficiency, or extend the useful life of
13 machinery and equipment; (v) buildings; or (vi) building fixtures that
14 are not integral and necessary to the generation of electricity that
15 are permanently affixed to and become a physical part of a building;

16 (d) Machinery and equipment is "used directly" in generating
17 electricity with fuel cells or by wind energy, solar energy, or
18 landfill gas power if it provides any part of the process that captures
19 the energy of the wind, sun, or landfill gas, converts that energy to
20 electricity, and stores, transforms, or transmits that electricity for
21 entry into or operation in parallel with electric transmission and
22 distribution systems;

23 (e) "Fuel cell" means an electrochemical reaction that generates
24 electricity by combining atoms of hydrogen and oxygen in the presence
25 of a catalyst.

26 (3) This section expires June 30, ((2009)) 2020.

27 **Sec. 2.** RCW 82.12.02567 and 2004 c 152 s 2 are each amended to
28 read as follows:

29 (1) The provisions of this chapter shall not apply with respect to
30 machinery and equipment used directly in generating not less than two
31 hundred watts of electricity using fuel cells, wind, sun, or landfill
32 gas as the principal source of power, or to the use of labor and
33 services rendered in respect to installing such machinery and
34 equipment.

35 (2) The definitions in RCW 82.08.02567 apply to this section.

36 (3) This section expires June 30, ((2009)) 2020.

1 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 June 30, 2009.

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