
HOUSE BILL 2131

State of Washington

61st Legislature

2009 Regular Session

By Representative Morris

Read first time 02/11/09. Referred to Committee on Technology, Energy & Communications.

1 AN ACT Relating to providing a credit under the public utility tax
2 for sales and use taxes paid for the development of eligible renewable
3 resources in the state that provide renewable energy to a qualifying
4 utility; adding a new section to chapter 82.16 RCW; and providing an
5 expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.16 RCW
8 to read as follows:

9 (1) A light and power business that is a qualifying utility is
10 allowed a credit against taxes due under this chapter in an amount
11 equal to one-quarter of the taxes paid by it or any other person under
12 RCW 82.08.020 or 82.12.020 on machinery and equipment used directly in
13 generating electricity from an eligible renewable resource that is used
14 as the principal source of power, and sales of or charges made for
15 labor and services rendered in respect to installing such machinery and
16 equipment, in the calendar year in which the resource becomes
17 operational and an amount equal to one-quarter of the taxes paid under
18 RCW 82.08.020 or 82.12.020 in each successive year.

1 (2) The credit under this section may not exceed the tax that was
2 paid under RCW 82.08.020 and 82.12.020 on the machinery, equipment,
3 labor, and services.

4 (3) The credit under this subsection is available only if the
5 renewable resource on which taxes were paid under RCW 82.08.020 and
6 82.12.020 is owned or operated by the qualifying utility or the
7 electrical energy produced by the resource is contractually obligated
8 to the qualifying utility at the time the credit is claimed under this
9 subsection.

10 (4) The following definitions apply to this section, unless the
11 context clearly requires otherwise:

12 (a) "Qualifying utility" has the same meaning as provided in RCW
13 19.285.030.

14 (b) "Eligible renewable resource" has the same meaning as in RCW
15 19.285.030.

16 (c) "Machinery and equipment" means industrial fixtures, devices,
17 and support facilities that are integral and necessary to the
18 generation of electricity from an eligible renewable resource.

19 (d) "Machinery and equipment" does not include: (i) Hand-powered
20 tools; (ii) property with a useful life of less than one year; (iii)
21 repair parts required to restore machinery and equipment to normal
22 working order; (iv) replacement parts that do not increase
23 productivity, improve efficiency, or extend the useful life of
24 machinery and equipment; (v) buildings; or (vi) building fixtures that
25 are not integral and necessary to the generation of electricity that
26 are permanently affixed to and become a physical part of a building.

27 (e) Machinery and equipment is "used directly" in generating
28 electricity from an eligible renewable resource if it provides any part
29 of the process that captures the energy, converts that energy to
30 electricity, or stores, transforms, or transmits that electricity for
31 entry into or operation in parallel with electric transmission and
32 distribution systems.

33 (5) This section expires July 1, 2023.

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