
SUBSTITUTE HOUSE BILL 2323

State of Washington

61st Legislature

2009 Regular Session

By House Finance (originally sponsored by Representatives Grant-Herriot, Kretz, Blake, McCune, Warnick, Jacks, Van De Wege, Ericks, Schmick, Takko, Kelley, Short, Ormsby, Kenney, and Santos)

READ FIRST TIME 04/07/09.

1 AN ACT Relating to sales and use tax exemption of the nonhighway
2 use of propane by farmers; adding a new section to chapter 82.08 RCW;
3 adding a new section to chapter 82.12 RCW; providing an effective date;
4 and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08 RCW
7 to read as follows:

8 (1) The tax levied by RCW 82.08.020 does not apply to fifty percent
9 of the selling price of propane fuel sold to a farm fuel user for
10 nonhighway use. Fuel used for space or water heating for human
11 habitation is not exempt under this section.

12 (2) The exemption under this section is in the form of a refund.
13 Sellers shall collect tax on sales subject to this exemption. The
14 buyer must apply for a refund directly from the department in a form
15 and manner prescribed by the department. A buyer must apply for a
16 refund within three months of the purchase of the propane fuel.

17 (3) "Farm fuel user" has the same meaning as provided in RCW
18 82.08.865.

1 (4) The amount of credit claimed under this section and section 2
2 of this act may not exceed one million dollars in any fiscal year.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW
4 to read as follows:

5 (1) The provisions of this chapter do not apply with respect to
6 fifty percent of the value of propane fuel for nonhighway use by a farm
7 fuel user. Fuel used for space or water heating for human habitation
8 is not exempt under this section.

9 (2) Sellers obligated to collect use tax must collect tax on sales
10 subject to the exemption under this section. The buyer must apply for
11 a refund directly from the department in a form and manner prescribed
12 by the department. A buyer must apply for a refund within three months
13 of the use of the propane fuel.

14 (3) "Farm fuel user" has the same meaning as provided in RCW
15 82.08.865.

16 (4) The amount of credit claimed under this section and section 1
17 of this act may not exceed one million dollars in any fiscal year.

18 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2009.

19 NEW SECTION. **Sec. 4.** This act expires July 1, 2015.

--- END ---