
HOUSE BILL 3053

State of Washington 61st Legislature 2010 Regular Session

By Representatives Kenney and Liias; by request of Department of Revenue

Read first time 01/21/10. Referred to Committee on Finance.

1 AN ACT Relating to extending expiring tax incentives for certain
2 clean alternative fuel vehicles, producers of certain biofuels, and
3 federal aviation regulation part 145 certificated repair stations;
4 amending RCW 82.04.250, 82.08.809, 82.12.809, 84.36.635, 84.36.640, and
5 82.29A.135; repealing 2008 c 81 s 19 (uncodified); repealing 2007 c 54
6 s 30 (uncodified); repealing 2006 c 177 s 14 (uncodified); repealing
7 2005 c 296 s 6 (uncodified); repealing 2007 c 54 s 5; and providing an
8 expiration date.

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

10 **Sec. 1.** RCW 82.04.250 and 2008 c 81 s 5 are each amended to read
11 as follows:

12 (1) Upon every person engaging within this state in the business of
13 making sales at retail, except persons taxable as retailers under other
14 provisions of this chapter, as to such persons, the amount of tax with
15 respect to such business (~~(shall be)~~) is equal to the gross proceeds of
16 sales of the business, multiplied by the rate of 0.471 percent.

17 (2) Upon every person engaging within this state in the business of
18 making sales at retail that are exempt from the tax imposed under
19 chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or

1 82.08.0263, except persons taxable under RCW 82.04.260(11) or
2 subsection (3) of this section, as to such persons, the amount of tax
3 with respect to such business (~~shall be~~) is equal to the gross
4 proceeds of sales of the business, multiplied by the rate of 0.484
5 percent.

6 (3) Until July 1, 2024, upon every person classified by the federal
7 aviation administration as a federal aviation regulation part 145
8 certificated repair station and that is engaging within this state in
9 the business of making sales at retail that are exempt from the tax
10 imposed under chapter 82.08 RCW by reason of RCW 82.08.0261,
11 82.08.0262, or 82.08.0263, as to such persons, the amount of tax with
12 respect to such business (~~shall be~~) is equal to the gross proceeds of
13 sales of the business, multiplied by the rate of .2904 percent.

14 **Sec. 2.** RCW 82.08.809 and 2005 c 296 s 1 are each amended to read
15 as follows:

16 (1) The tax levied by RCW 82.08.020 does not apply to sales of new
17 passenger cars, light duty trucks, and medium duty passenger vehicles,
18 which are exclusively powered by a clean alternative fuel.

19 (2) The seller must keep records necessary for the department to
20 verify eligibility under this section.

21 (3) As used in this section, "clean alternative fuel" means natural
22 gas, propane, hydrogen, or electricity, when used as a fuel in a motor
23 vehicle that meets the California motor vehicle emission standards in
24 Title 13 of the California code of regulations, effective January 1,
25 2005, and the rules of the Washington state department of ecology.

26 (4) This section expires July 1, 2015.

27 **Sec. 3.** RCW 82.12.809 and 2005 c 296 s 3 are each amended to read
28 as follows:

29 (1) Until July 1, 2015, the provisions of this chapter do not apply
30 in respect to the use of new passenger cars, light duty trucks, and
31 medium duty passenger vehicles, which are exclusively powered by a
32 clean alternative fuel.

33 (2) "Clean alternative fuel" has the same meaning as provided in
34 RCW 82.08.809.

35 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020
36 on the use, on or after July 1, 2015, of a passenger car, light duty

1 truck, or medium duty passenger vehicle exclusively powered by a clean
2 alternative fuel, if the taxpayer used such vehicle in this state
3 before July 1, 2015, and the use was exempt under this section from the
4 tax imposed in RCW 82.12.020.

5 **Sec. 4.** RCW 84.36.635 and 2008 c 268 s 1 are each amended to read
6 as follows:

7 (1) For the purposes of this section:

8 (a) "Alcohol fuel" means any alcohol made from a product other than
9 petroleum or natural gas, which is used alone or in combination with
10 gasoline or other petroleum products for use as a fuel for motor
11 vehicles, farm implements, and machines or implements of husbandry.

12 (b) "Anaerobic digester" has the same meaning as provided in RCW
13 82.08.900.

14 (c) "Biodiesel feedstock" means oil that is produced from an
15 agricultural crop for the sole purpose of ultimately producing
16 biodiesel fuel.

17 (d) "Biodiesel fuel" means a mono alkyl ester of long chain fatty
18 acids derived from vegetable oils or animal fats for use in
19 compression-ignition engines and that meets the requirements of the
20 American society of testing and materials specification D 6751 in
21 effect as of January 1, 2003.

22 (2)(a) All buildings, machinery, equipment, and other personal
23 property which are used primarily for the manufacturing of alcohol
24 fuel, biodiesel fuel, biodiesel feedstock, or the operation of an
25 anaerobic digester, the land upon which this property is located, and
26 land that is reasonably necessary in the manufacturing of alcohol fuel,
27 biodiesel fuel, biodiesel feedstock, or the operation of an anaerobic
28 digester, but not land necessary for growing of crops, which together
29 comprise a new manufacturing facility or an addition to an existing
30 manufacturing facility, are exempt from property taxation for the six
31 assessment years following the date on which the facility or the
32 addition to the existing facility becomes operational.

33 (b) For manufacturing facilities which produce products in addition
34 to alcohol fuel, biodiesel fuel, or biodiesel feedstock, the amount of
35 the property tax exemption (~~shall be~~) is based upon the annual
36 percentage of the total value of all products manufactured that is the

1 value of the alcohol fuel, biodiesel fuel, and biodiesel feedstock
2 manufactured.

3 (3) Claims for exemptions authorized by this section (~~shall~~) must
4 be filed with the county assessor on forms prescribed by the department
5 of revenue and furnished by the assessor. Once filed, the exemption is
6 valid for six years and (~~shall~~) may not be renewed. The assessor
7 (~~shall~~) must verify and approve claims as the assessor determines to
8 be justified and in accordance with this section. No claims may be
9 filed after December 31, (~~2009~~) 2015, except for claims for anaerobic
10 digesters, which may be filed no later than December 31, 2012.

11 The department of revenue may promulgate such rules, pursuant to
12 chapter 34.05 RCW, as necessary to properly administer this section.

13 **Sec. 5.** RCW 84.36.640 and 2003 c 339 s 9 are each amended to read
14 as follows:

15 (1) For the purposes of this section, "wood biomass fuel" means a
16 pyrolytic liquid fuel or synthesis gas-derived liquid fuel, used in
17 internal combustion engines, and produced from wood, forest, or field
18 residue, or dedicated energy crops that do not include wood pieces that
19 have been treated with chemical preservatives such as creosote,
20 pentachlorophenol, or copper-chroma-arsenic.

21 (2)(a) All buildings, machinery, equipment, and other personal
22 property which is used primarily for the manufacturing of wood biomass
23 fuel, the land upon which this property is located, and land that is
24 reasonably necessary in the manufacturing of wood biomass fuel, but not
25 land necessary for growing of crops, which together comprise a new
26 manufacturing facility or an addition to an existing manufacturing
27 facility, are exempt from property taxation for the six assessment
28 years following the date on which the facility or the addition to the
29 existing facility becomes operational.

30 (b) For manufacturing facilities which produce products in addition
31 to wood biomass fuel, the amount of the property tax exemption (~~shall~~
32 ~~be~~) is based upon the annual percentage of the total value of all
33 products manufactured that is the value of the wood biomass fuel
34 manufactured.

35 (3) Claims for exemptions authorized by this section (~~shall~~) must
36 be filed with the county assessor on forms prescribed by the department
37 of revenue and furnished by the assessor. Once filed, the exemption is

1 valid for six years and (~~shall~~) may not be renewed. The assessor
2 (~~shall~~) must verify and approve claims as the assessor determines to
3 be justified and in accordance with this section. No claims may be
4 filed after December 31, (~~2009~~) 2015.

5 The department of revenue may promulgate such rules, pursuant to
6 chapter 34.05 RCW, as necessary to properly administer this section.

7 **Sec. 6.** RCW 82.29A.135 and 2008 c 268 s 2 are each amended to read
8 as follows:

9 (1) For the purposes of this section:

10 (a) "Alcohol fuel" means any alcohol made from a product other than
11 petroleum or natural gas, which is used alone or in combination with
12 gasoline or other petroleum products for use as a fuel for motor
13 vehicles, farm implements, and machines or implements of husbandry.

14 (b) "Anaerobic digester" has the same meaning as provided in RCW
15 82.08.900.

16 (c) "Biodiesel feedstock" means oil that is produced from an
17 agricultural crop for the sole purpose of ultimately producing
18 biodiesel fuel.

19 (d) "Biodiesel fuel" means a mono alkyl ester of long chain fatty
20 acids derived from vegetable oils or animal fats for use in
21 compression-ignition engines and that meets the requirements of the
22 American society of testing and materials specification D 6751 in
23 effect as of January 1, 2003.

24 (e) "Wood biomass fuel" means a pyrolytic liquid fuel or synthesis
25 gas-derived liquid fuel, used in internal combustion engines, and
26 produced from wood, forest, or field residue, or dedicated energy crops
27 that do not include wood pieces that have been treated with chemical
28 preservatives such as creosote, pentachlorophenol, or copper-chroma-
29 arsenic.

30 (2)(a) All leasehold interests in buildings, machinery, equipment,
31 and other personal property which are used primarily for the
32 manufacturing of alcohol fuel, wood biomass fuel, biodiesel fuel,
33 biodiesel feedstock, or the operation of an anaerobic digester, the
34 land upon which this property is located, and land that is reasonably
35 necessary in the manufacturing of alcohol fuel, wood biomass fuel,
36 biodiesel fuel, biodiesel feedstock, or the operation of an anaerobic
37 digester, but not land necessary for growing of crops, which together

1 comprise a new manufacturing facility or an addition to an existing
2 manufacturing facility, are exempt from leasehold taxes for a period of
3 six years from the date on which the facility or the addition to the
4 existing facility becomes operational.

5 (b) For manufacturing facilities which produce products in addition
6 to alcohol fuel, wood biomass fuel, biodiesel fuel, or biodiesel
7 feedstock, the amount of the leasehold tax exemption (~~shall be~~) is
8 based upon the annual percentage of the total value of all products
9 manufactured that is the value of the alcohol fuel, wood biomass fuel,
10 biodiesel fuel, and biodiesel feedstock manufactured.

11 (3) Claims for exemptions authorized by this section (~~shall~~) must
12 be filed with the department of revenue on forms prescribed by the
13 department of revenue and furnished by the department of revenue. Once
14 filed, the exemption is valid for six years and (~~shall~~) may not be
15 renewed. The department of revenue (~~shall~~) must verify and approve
16 claims as the department of revenue determines to be justified and in
17 accordance with this section. No claims may be filed after December
18 31, (~~2009~~) 2015, except for claims for anaerobic digesters, which may
19 be filed no later than December 31, 2012.

20 The department of revenue may promulgate such rules, pursuant to
21 chapter 34.05 RCW, as are necessary to properly administer this
22 section.

23 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
24 repealed:

- 25 (1) 2008 c 81 s 19 (uncodified);
- 26 (2) 2007 c 54 s 5;
- 27 (3) 2007 c 54 s 30 (uncodified);
- 28 (4) 2006 c 177 s 14 (uncodified); and
- 29 (5) 2005 c 296 s 6 (uncodified).

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