

---

HOUSE BILL 1663

---

State of Washington

63rd Legislature

2013 Regular Session

By Representatives Tharinger, Nealey, Van De Wege, Johnson, Takko, Blake, Haigh, Kretz, Fey, Hayes, Short, Crouse, and Ryu

Read first time 02/05/13. Referred to Committee on Technology & Economic Development.

1 AN ACT Relating to extending the sales and use tax exemption for  
2 hog fuel used to produce electricity, steam, heat, or biofuel; amending  
3 RCW 82.08.956 and 82.12.956; adding a new section to chapter 82.32 RCW;  
4 creating a new section; and providing expiration dates.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
7 retain and grow family wage jobs in rural, economically distressed  
8 areas; to promote healthy forests; and to utilize Washington's abundant  
9 natural resources to promote diversified renewable energy use in the  
10 state.

11 **Sec. 2.** RCW 82.08.956 and 2009 c 469 s 301 are each amended to  
12 read as follows:

13 (1) The tax levied by RCW 82.08.020 does not apply to sales of hog  
14 fuel used to produce electricity, steam, heat, or biofuel. This  
15 exemption is available only if the buyer provides the seller with an  
16 exemption certificate in a form and manner prescribed by the  
17 department. The seller must retain a copy of the certificate for the  
18 seller's files.

1 (2) For the purposes of this section the following definitions  
2 apply:

3 (a) "Hog fuel" means wood waste and other wood residuals including  
4 forest derived biomass. "Hog fuel" does not include firewood or wood  
5 pellets; and

6 (b) "Biofuel" has the same meaning as provided in RCW 43.325.010.

7 (3) This section expires June 30, (~~(2013)~~) 2024.

8 **Sec. 3.** RCW 82.12.956 and 2009 c 469 s 302 are each amended to  
9 read as follows:

10 (1) The provisions of this chapter do not apply with respect to the  
11 use of hog fuel for production of electricity, steam, heat, or biofuel.

12 (2) For the purposes of this section:

13 (a) "Hog fuel" has the same meaning as provided in RCW 82.08.956;  
14 and

15 (b) "Biofuel" has the same meaning as provided in RCW 43.325.010.

16 (3) This section expires June 30, (~~(2013)~~) 2024.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.32 RCW  
18 to read as follows:

19 (1)(a) Every taxpayer claiming an exemption under section 2 or 3 of  
20 this act must file a complete annual survey with the department. The  
21 survey is due by April 30th of the year following any calendar year in  
22 which a person becomes eligible to claim the tax preference that  
23 requires a survey under this section.

24 (b) The department may extend the due date for timely filing of  
25 annual surveys under this section as provided in RCW 82.32.590.

26 (2)(a) The survey must include the amount of the tax preference  
27 claimed for the calendar year covered by the survey.

28 (b) The survey must also include the following information for  
29 employment positions at facilities in Washington that are under common  
30 ownership and for which the exemption under section 2 or 3 of this act  
31 is claimed, not to include names of employees, for the year that the  
32 tax preference was claimed:

33 (i) The number of total employment positions;

34 (ii) Full-time, part-time, and temporary employment positions as a  
35 percent of employment;

1 (iii) The number of employment positions according to the following  
2 wage bands: Less than thirty thousand dollars; thirty thousand dollars  
3 or greater, but less than sixty thousand dollars; and sixty thousand  
4 dollars or greater. A wage band containing fewer than three  
5 individuals may be combined with another wage band; and

6 (iv) The number of employment positions that have employer-provided  
7 medical, dental, and retirement benefits, by each of the wage bands.

8 (c) If the taxpayer filing a survey under this section did not file  
9 a survey with the department in the previous calendar year, the survey  
10 filed under this section must also include the employment, wage, and  
11 benefit information required under (b)(i) through (iv) of this  
12 subsection for the calendar year immediately preceding the calendar  
13 year for which a tax preference was claimed.

14 (3) As part of the annual survey, the department may request  
15 additional information necessary to measure the results of, or  
16 determine eligibility for, the tax preference.

17 (4) All information collected under this section, except the  
18 information required in subsection (2)(a) of this section, is deemed  
19 taxpayer information under RCW 82.32.330. Information required in  
20 subsection (2)(a) of this section is not subject to the confidentiality  
21 provisions of RCW 82.32.330 and may be disclosed to the public upon  
22 request, except as provided in subsection (5) of this section. If the  
23 amount of the tax preference claimed as reported on the survey is  
24 different than the amount actually claimed or otherwise allowed by the  
25 department based on the taxpayer's excise tax returns or other  
26 information known to the department, the amount actually claimed or  
27 allowed may be disclosed.

28 (5) Taxpayers for whom the actual amount of the tax reduced or  
29 saved is less than ten thousand dollars during the period covered by  
30 the survey may request the department to treat the amount of the tax  
31 reduction or savings as confidential under RCW 82.32.330.

32 (6)(a) Except as otherwise provided by law, if a taxpayer claims a  
33 tax preference that requires an annual survey under this section but  
34 fails to submit a complete annual survey by the due date of the survey  
35 or any extension under RCW 82.32.590, the department must declare the  
36 amount of the tax preference claimed for the previous calendar year to  
37 be immediately due.

1 (b) The department must assess interest, but not penalties, on the  
2 amounts due under this subsection. The interest must be assessed at  
3 the rate provided for delinquent taxes under this chapter,  
4 retroactively to the date the tax preference was claimed, and accrues  
5 until the taxes for which the tax preference was claimed are repaid.  
6 Amounts due under this subsection are not subject to the  
7 confidentiality provisions of RCW 82.32.330 and may be disclosed to the  
8 public upon request.

9 (7) The department must use the information from this section to  
10 prepare summary descriptive statistics by category. No fewer than  
11 three taxpayers may be included in any category. The department must  
12 report these statistics to the legislature annually by October 1st of  
13 each year that this tax exemption remains in effect.

--- END ---