
Finance Committee

HB 2424

Brief Description: Correcting the use tax exemption for self-produced fuel.

Sponsors: Representatives Lytton and Nealey.

Brief Summary of Bill

- Provides a tax preference performance statement for changes made to the use-tax preference for self-produced fuels.
- Moves the effective date of the use-tax rate for refinery fuel gas from August 1, 2017, to January 1, 2018.
- Moves the effective date of the narrowing of the self-produced fuel exemption from August 1, 2017, to January 1, 2018.

Hearing Date: 1/12/18

Staff: Tracey O'Brien (786-7152).

Background:

In 2017, EHB 2163 made changes to the use-tax exemption for self-produced fuels effective August 1, 2017.

The state use-tax exemption for self-produced fuel was narrowed to apply to biomass fuel only.

The state use-tax rate for refinery fuel gas was set as follows:

- 0.963 percent for calendar year 2018;
- 1.926 percent for calendar year 2019;
- 2.889 percent for calendar year 2020; and
- 3.852 percent beginning January 1, 2021.

As the result of the effective date of August 1, 2017, the use-tax rate applied to refinery fuel gas defaulted to 6.5 percent for the last five months of 2017.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

This bill provides a tax preference performance statement for the changes made to the tax preference for self-produced fuels in EHB 2163. It also retroactively changes the effective date for the use-tax rates for refinery gas fuel and for the narrowing of the use-tax exemption for self-produced fuel to January 1, 2018.

Appropriation: None.

Fiscal Note: Requested on January 8, 2018.

Effective Date: The bill contains an emergency clause and takes effect immediately.