

# FINAL BILL REPORT

## SHB 2424

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C 92 L 18  
Synopsis as Enacted

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

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Lytton and Nealey).

**House Committee on Finance**  
**Senate Committee on Ways & Means**

### **Background:**

In 2017 legislation was enacted that 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.

### **Summary:**

A tax preference performance statement is provided for the changes made to the tax preference for self-produced fuels in the 2017 legislation. In addition, 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 is retroactively and prospectively changed to January 1, 2018.

### **Votes on Final Passage:**

House	95	0	
Senate	47	1	(Senate amended)

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*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.*

House 98 0 (House concurred)

**Effective:** March 15, 2018