

2SHB 2157 - H AMD 819

By Representative Chandler

NOT CONSIDERED 12/23/2019

1 On page 33, after line 18, insert the following:

2 **"Part VII**

3 **Clarifying the Applicability of Business and Occupation Tax to**
4 **Amounts Received as Credits from the Bonneville Power Administration**

5 **Sec. 701.** RCW 82.04.310 and 2014 c 216 s 302 are each amended to
6 read as follows:

7 (1) This chapter does not apply to any person in respect to a
8 business activity with respect to which tax liability is specifically
9 imposed under the provisions of chapter 82.16 RCW including amounts
10 derived from activities for which a deduction is allowed under RCW
11 82.16.050. The exemption in this subsection does not apply to sales
12 of natural gas, including compressed natural gas and liquefied
13 natural gas, by a gas distribution business, if such sales are exempt
14 from the tax imposed under chapter 82.16 RCW as provided in RCW
15 82.16.310.

16 (2) This chapter does not apply to amounts received by any person
17 for the sale of electrical energy for resale within or outside the
18 state.

19 (3)(a) This chapter does not apply to amounts received by any
20 person for the sale of natural or manufactured gas in a calendar year
21 if that person sells within the United States a total amount of
22 natural or manufactured gas in that calendar year that is no more
23 than twenty percent of the amount of natural or manufactured gas that
24 it consumes within the United States in the same calendar year.

25 (b) For purposes of determining whether a person has sold within
26 the United States a total amount of natural or manufactured gas in a
27 calendar year that is no more than twenty percent of the amount of
28 natural or manufactured gas that it consumes within the United States
29 in the same calendar year, the following transfers of gas are not
30 considered to be the sale of natural or manufactured gas:

1 (i) The transfer of any natural or manufactured gas as a result
2 of the acquisition of another business, through merger or otherwise;
3 or

4 (ii) The transfer of any natural or manufactured gas accomplished
5 solely to comply with federal regulatory requirements imposed on the
6 pipeline transportation of such gas when it is shipped by a third-
7 party manager of a person's pipeline transportation.

8 (4) Until January 1, 2029, this chapter does not apply to amounts
9 received by any person in the form of credits against power contracts
10 with the Bonneville power administration, or funds provided by the
11 Bonneville power administration, for the purpose of implementing
12 energy conservation programs or demand-side management programs, so
13 long as the amount that would otherwise be owed under this chapter is
14 used for purposes of low-income ratepayer assistance or
15 weatherization. Utilities must give priority to uses of funds that
16 permanently lower energy costs for low-income ratepayers. The funds
17 generated for low-income ratepayer assistance under this subsection
18 must be additive to and not supplant any existing funds used by the
19 utility for low-income ratepayer assistance."

20 Renumber the remaining part and sections consecutively, correct
21 any internal references accordingly, and correct the title.

22 On page 33, line 24, after "IV," strike "and V" and insert "V,
23 and VII"

24 On page 33, line 25, after "IV," strike "and VI" and insert "VI,
25 and VII"

EFFECT: Exempts amounts received in the form of credits against power contracts with the Bonneville power administration or funds provided by the Bonneville power administration for purposes of implementing energy conservation programs or demand-side management programs if certain conditions are met.

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