
SENATE BILL 5239

State of Washington

67th Legislature

2021 Regular Session

By Senators Wilson, J., Short, and Van De Wege

Read first time 01/15/21. Referred to Committee on Ways & Means.

1 AN ACT Relating to changing the expiration date for the sales and
2 use tax exemption of hog fuel to coincide with the 2045 deadline for
3 fossil fuel-free electrical generation in Washington state and to
4 protect jobs with health care and retirement benefits in economically
5 distressed communities; amending RCW 82.08.956, 82.12.956, and
6 82.32.605; creating new sections; and providing expiration dates.

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

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

13 **Sec. 2.** RCW 82.08.956 and 2013 2nd sp.s. c 13 s 1002 are each
14 amended to read as follows:

15 (1) The tax levied by RCW 82.08.020 does not apply to sales of
16 hog fuel used to produce electricity, steam, heat, or biofuel. This
17 exemption is available only if the buyer provides the seller with an
18 exemption certificate in a form and manner prescribed by the
19 department. The seller must retain a copy of the certificate for the
20 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
4 including forest derived biomass. "Hog fuel" does not include
5 firewood or wood pellets; and

6 (b) "Biofuel" (~~((has the same meaning as provided in RCW~~
7 ~~43.325.010))~~) means a liquid or gaseous fuel derived from organic
8 matter intended for use as a transportation fuel including, but not
9 limited to, biodiesel, renewable diesel, ethanol, renewable natural
10 gas, and renewable propane.

11 (3) If a taxpayer who claimed an exemption under this section
12 closes a facility in Washington for which employment positions were
13 reported under RCW 82.32.605, resulting in a loss of jobs located
14 within the state, the department must declare the amount of the tax
15 exemption claimed under this section for the previous two calendar
16 years to be immediately due.

17 (4) This section expires June 30, ((2024)) 2045.

18 **Sec. 3.** RCW 82.12.956 and 2013 2nd sp.s. c 13 s 1003 are each
19 amended to read as follows:

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

23 (2) For the purposes of this section:

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

26 (b) "Biofuel" has the same meaning as provided in RCW
27 ((43.325.010)) 82.08.956.

28 (3) This section expires June 30, ((2024)) 2045.

29 **Sec. 4.** RCW 82.32.605 and 2017 c 135 s 5 are each amended to
30 read as follows:

31 (1) Every taxpayer claiming an exemption under RCW 82.08.956 or
32 82.12.956 must file with the department a complete annual tax
33 performance report under RCW 82.32.534, except that the taxpayer must
34 file a separate tax performance report for each facility owned or
35 operated in the state of Washington.

36 (2) This section expires June 30, ((2024)) 2045.

1 NEW SECTION. **Sec. 5.** (1) This section is the tax preference
2 performance statement for the tax preferences contained in sections 2
3 and 3, chapter . . ., Laws of 2021 (sections 2 and 3 of this act).
4 This performance statement is only intended to be used for subsequent
5 evaluation of the tax preference. It is not intended to create a
6 private right of action by any party or be used to determine
7 eligibility for preferential tax treatment.

8 (2) The legislature categorizes these tax preferences as ones
9 intended to induce certain designated behavior by taxpayers, as
10 indicated in RCW 82.32.808(2)(a).

11 (3) It is the legislature's specific public policy objective to
12 extend the expiration date of these tax preferences in order to
13 increase the ability of beneficiary facilities to provide at least 75
14 percent of their employees with medical and dental insurance and a
15 retirement plan.

16 (4) In order to obtain the data necessary to measure the
17 effectiveness of these tax preferences in achieving the public policy
18 objective described in subsection (3) of this section, the joint
19 legislative audit and review committee may refer to:

20 (a) The annual survey that a taxpayer is required to file with
21 the department of revenue per RCW 82.32.605; and

22 (b) Employment data available from the employment security
23 department.

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