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**HOUSE BILL 1756**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Ramel, Klicker, Duerr, Rude, Schmidt, Reed, Kloba, Doglio, Senn, Ryu, and Macri

Read first time 02/03/23. Referred to Committee on Finance.

1 AN ACT Relating to supporting clean energy through tax changes  
2 that increase revenue to local governments, schools, and impacted  
3 communities; adding a new section to chapter 84.36 RCW; adding a new  
4 chapter to Title 82 RCW; and creating new sections.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36  
7 RCW to read as follows:

8 (1) Provided the taxpayer fulfills the requirements of this  
9 section, all qualified personal property owned by a taxpayer and used  
10 for the generation of renewable energy is exempt from property taxes  
11 levied for any state purpose.

12 (2)(a) Unless a taxpayer is assessed under chapter 84.12 RCW, a  
13 claim for an exemption under this section from taxes payable the  
14 following year must be filed by March 31st with the county assessor  
15 together with the statement required under RCW 84.40.190 and a  
16 statement attesting that the taxpayer meets the requirements of  
17 subsection (3) of this section. The claim must be made upon forms as  
18 prescribed and furnished by the department. The application must  
19 indicate if the taxpayer is applying for a 10 or 15-year exemption.

20 (b) If a taxpayer is assessed under chapter 84.12 RCW, a claim  
21 for an exemption under this section from taxes payable the following

1 year must be filed by March 31st with the department together with  
2 the annual report required under RCW 84.12.230 and a statement  
3 attesting that the taxpayer meets the requirements of subsection (3)  
4 of this section. The claim must be made upon forms as prescribed and  
5 furnished by the department. The application must indicate if the  
6 taxpayer is applying for a 10 or 15-year exemption.

7 (c) The taxpayer claiming an exemption under this subsection (2)  
8 and paying the production excise tax under section 2 of this act must  
9 file an annual attestation in the manner and form prescribed by the  
10 department.

11 (3) The taxpayer must register with the department to pay the  
12 production excise tax authorized in section 2 of this act.

13 (4) An exemption granted pursuant to this section to a taxpayer  
14 compliant with requirements of this section is granted for 10 or 15  
15 years following the date on which the facility where the qualified  
16 personal property is located first becomes operational.

17 (5) The department must apportion personal property assessed  
18 under chapter 84.12 RCW that is granted an exemption under this  
19 section pursuant to RCW 84.12.360.

20 (6) Failure to comply with the requirements of this section  
21 results in the personal property taxes becoming immediately due and  
22 payable.

23 (7) The definitions in this subsection apply throughout this  
24 section unless the context clearly indicates otherwise.

25 (a) "Personal property" has the same meaning as in RCW 84.04.080.

26 (b) "Qualified personal property" means personal property that is  
27 used exclusively for the generation or storage of renewable energy in  
28 a facility, the construction of which began on or after July 1, 2023.

29 (c) "Renewable energy" means energy produced by a solar or wind  
30 facility with nameplate capacity sufficient to generate at least one  
31 megawatt of nameplate capacity of alternating current power.

32 NEW SECTION. **Sec. 2.** (1)(a) For taxpayers granted an exemption  
33 under section 1 of this act, an excise tax is imposed on the  
34 privilege of using qualified renewable energy generating systems used  
35 as an electric power source in the state. The rate of the tax is as  
36 follows:

37 (i) \$80 per month per megawatt of nameplate capacity of  
38 alternating current power for a qualified renewable energy generating

1 system that uses solar energy to generate electricity and that was  
2 granted an exemption under section 1 of this act for 10 years;

3 (ii) \$75 per month per megawatt of nameplate capacity of  
4 alternating current power for a qualified renewable energy generating  
5 system that uses solar energy to generate electricity and that was  
6 granted an exemption under section 1 of this act for 15 years;

7 (iii) \$150 per month per megawatt of nameplate capacity of  
8 alternating current power for a qualified renewable energy generating  
9 system that uses wind energy to generate electricity and that was  
10 granted an exemption under section 1 of this act for 10 years;

11 (iv) \$130 per month per megawatt of nameplate capacity of  
12 alternating current power for a qualified renewable energy generating  
13 system that uses wind energy to generate electricity and that was  
14 granted an exemption under section 1 of this act for 15 years.

15 (b) For taxpayers granted an exemption under section 1 of this  
16 act, a tax is imposed on the capacity of the renewable energy storage  
17 system of a qualified renewable energy generating system. The rate of  
18 the tax is \$100 per month per megawatt hour of storage capacity.

19 (2) For taxpayers not assessed under chapter 84.12 RCW, the  
20 county assessor must provide a list of taxpayers granted an exemption  
21 under section 1 of this act for the following year, along with any  
22 other information required, to the department by August 1st each  
23 year.

24 (3) A taxpayer applying for an exemption under section 1 of this  
25 act for the following year must register with the department prior to  
26 submitting an application under section 1 of this act. If the  
27 application for an exemption under section 1 of this act is granted  
28 for any calendar year, payment of the taxes imposed under this  
29 section are due.

30 (4) The taxpayer claiming an exemption under section 1 of this  
31 act and paying the production excise tax under this section must file  
32 an annual attestation in the manner and form prescribed by the  
33 department.

34 (5) The definitions in this subsection apply throughout this  
35 section unless the context clearly indicates otherwise.

36 (a) "Qualified renewable energy generating system" means a set of  
37 devices whose primary purpose is to produce electricity by means of  
38 any combination of collecting, transferring, or converting renewable  
39 energy and that is receiving an exemption under section 1 of this  
40 act.

1 (b) "Renewable energy" means energy produced by a solar or wind  
2 facility with nameplate capacity sufficient to generate at least one  
3 megawatt of nameplate capacity of alternating current power.

4 (c) "Renewable energy storage system" means battery storage or  
5 battery energy storage system that can store renewable energy when  
6 production exceeds demand and release energy when energy demand  
7 increases.

8 NEW SECTION. **Sec. 3.** (1) The renewable energy local benefit  
9 account is created in the state treasury. All receipts from the  
10 production excise tax in section 2 of this act must be deposited in  
11 the account. Moneys in the account may be spent only after  
12 appropriation. Expenditures from the account may be used for  
13 qualified local counties and qualified school districts.

14 (2) The total amount appropriated to qualified counties and the  
15 qualified school districts within those counties must be in  
16 proportion to the amount of production excise tax paid by renewable  
17 energy systems located in those counties and must be distributed as  
18 follows:

19 (a) Each qualified county must receive an appropriation equal to  
20 42.5 percent of the production excise tax paid by a renewable energy  
21 system located in the county.

22 (b) Qualified federally recognized Indian tribes must receive an  
23 appropriation totaling 15 percent of the production excise tax paid  
24 by a renewable energy system impacting the tribes' resources or  
25 rights, in proportion to the number of enrolled members of each  
26 qualified federally recognized Indian tribe.

27 (c) Each qualified school district must receive an appropriation  
28 from the remaining 42.5 percent of the production excise tax paid by  
29 a renewable energy system located in the same county in proportion to  
30 the number of students being served by that district.

31 (3) For the purposes of this section, the definitions in this  
32 subsection apply unless the context clearly requires otherwise.

33 (a) "Qualified county" means a county that has a renewable energy  
34 system that receives a tax exemption under section 1 of this act and  
35 pays the production excise tax under section 2 of this act.

36 (b) "Qualified federally recognized Indian tribe" means a  
37 federally recognized Indian tribe at least partially located within  
38 the geographical boundaries of Washington state with tribal resources  
39 or tribal rights potentially impacted by a renewable energy system

1 that receives a tax exemption under section 1 of this act and pays  
2 the production excise tax under section 2 of this act.

3 (c) "Qualified school district" means a school district that is  
4 located in a county that has a renewable energy system that receives  
5 a tax exemption under section 1 of this act and pays the production  
6 excise tax under section 2 of this act.

7 NEW SECTION. **Sec. 4.** Chapter 82.32 RCW applies to this act.

8 NEW SECTION. **Sec. 5.** RCW 82.32.805 and 82.32.808 do not apply  
9 to this act.

10 NEW SECTION. **Sec. 6.** Sections 2 through 4 of this act  
11 constitute a new chapter in Title 82 RCW.

12 NEW SECTION. **Sec. 7.** This act applies to taxes levied for  
13 collection in 2025 and thereafter.

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