
SENATE BILL 6243

State of Washington

68th Legislature

2024 Regular Session

By Senators Mullet, Billig, Lovick, Nguyen, and Shewmake

Read first time 01/16/24. Referred to Committee on Business, Financial Services, Gaming & Trade.

1 AN ACT Relating to providing a state business and occupation tax
2 exemption to encourage clean technology manufacturing in Washington;
3 adding a new section to chapter 82.04 RCW; creating a new section;
4 and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04
7 RCW to read as follows:

8 (1) Beginning January 1, 2025, this chapter does not apply to any
9 manufacturer primarily engaged in clean technology manufacturing.

10 (2) A manufacturer claiming the exemption under this section must
11 submit an annual tax performance report under RCW 82.32.534.

12 (3) RCW 82.32.808(6) does not apply to the tax preference created
13 in this section.

14 (4) For purposes of this section, the following definitions apply
15 unless the context requires otherwise.

16 (a) "Alternative energy resource," "storage facility," "renewable
17 hydrogen," and "green electrolytic hydrogen" have the same meanings
18 as in RCW 80.50.020.

19 (b) "Clean fuels" means fuels meeting the specifications provided
20 in RCW 70A.25.120.

1 (c) "Clean technology manufacturing" means manufacturing tangible
2 personal property exclusively or primarily used in the following:

3 (i) Vehicles, vessels, and other modes of transportation that
4 emit no exhaust gas from the onboard source of power, other than
5 water vapor;

6 (ii) Charging and fueling infrastructure for electric, hydrogen,
7 or other types of vehicles that emit no exhaust gas from the onboard
8 source of power, other than water vapor;

9 (iii) Generation of renewable or green electrolytic hydrogen;

10 (iv) Production of energy from alternative energy resources;

11 (v) Retrofitting of megawatt-class diesel vehicles, vessels, and
12 other modes of transportation to hybrid diesel-electric;

13 (vi) Production of clean fuels; and

14 (vii) Storage facilities.

15 (5) This section expires January 1, 2035.

16 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
17 performance statement for the tax preference contained in section 1,
18 chapter . . . , Laws of 2024 (section 1 of this act). This performance
19 statement is only intended to be used for subsequent evaluation of
20 the tax preference. It is not intended to create a private right of
21 action by any party or to be used to determine eligibility for
22 preferential tax treatment.

23 (2) The legislature categorizes this tax preference as one
24 intended to induce certain designated behavior by taxpayers, improve
25 industry competitiveness, and create jobs, as indicated in RCW
26 82.32.808(2) (a), (b), and (c).

27 (3) It is the legislature's specific public policy objective to
28 provide broad state-level support to the clean technology sector and
29 supplement federal incentives, including potential federal funding
30 through the Pacific Northwest's designation as a hydrogen hub.

31 (4) To measure the effectiveness of the tax preference in this
32 act, the joint legislative audit and review committee must evaluate
33 the first eight years of available data, reporting its findings to
34 the legislature by December 31, 2033. The review must include
35 evaluation of:

36 (a) The average construction wages for eligible projects;

37 (b) The number of jobs created in the clean technology sector;

38 (c) The use of apprenticeship programs, and women, minority, or
39 veteran-owned businesses by eligible projects;

1 (d) The degree to which the preference encouraged manufacturing
2 and component production for technologies that reduce greenhouse gas
3 emissions;

4 (e) Whether facilities benefiting from the tax preference would
5 have been developed without the tax preference; and

6 (f) Any other relevant metric.

7 (5) In order to obtain the data necessary to perform the review
8 in subsection (4) of this section, the joint legislative audit and
9 review committee may refer to any data collected by the state.

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