

RCW 82.12.0203 Refinery fuel gas—Value—Tax rate—Local use tax exemption. (1) (a) The value of the article used with respect to refinery fuel gas subject to tax under this chapter is the three-year average spot price of natural gas as calculated by the department.

(b) For the purposes of this section, "three-year average spot price of natural gas" means the average of the 36 most recent monthly Henry Hub natural gas spot prices, as published by the federal energy information administration or successor federal agency.

(c) The department must calculate and publish the three-year average spot price of natural gas on its website on a quarterly basis by:

(i) March 25th of each year, for tax due under this chapter on activities occurring April 1st through June 30th of that year;

(ii) June 25th of each year, for tax due under this chapter on activities occurring July 1st through September 30th of that year;

(iii) September 25th of each year, for tax due under this chapter on activities occurring October 1st through December 31st of that year; and

(iv) December 25th of each year, for tax due under this chapter on activities occurring January 1st through March 31st of the following year.

(d) If the federal energy information administration or successor federal agency no longer publishes the Henry Hub natural gas spot price:

(i) The department must notify the appropriate fiscal committees of the legislature that the Henry Hub natural gas spot price is no longer being published by the federal government. This notification must occur before the beginning of the next regular legislative session following the department becoming aware that the federal energy information administration or successor federal agency no longer publishes the Henry Hub natural gas spot price.

(ii) Until such time as a replacement valuation standard is enacted into law, the value of the article used with respect to refinery fuel gas subject to tax under this chapter is the most recent three-year average spot price of natural gas published by the department on its website.

(2) In lieu of the use tax rate provided in RCW 82.12.020, refinery fuel gas is subject to a rate of:

(a) 0.963 percent from January 1, 2018, through December 31, 2018;

(b) 1.926 percent from January 1, 2019, through December 31, 2019;

(c) 2.889 percent from January 1, 2020, through December 31, 2020; and

(d) 3.852 percent from January 1, 2021, and thereafter.

(3) The use of fuel by the extractor or manufacturer thereof when used directly in the operation of the particular extractive operation or manufacturing plant that produced or manufactured the same is not subject to local use tax. [2023 c 68 s 2; 2017 3rd sp.s. c 28 s 108.]

Reviser's note: The tax preference enacted in section 108, chapter 28, Laws of 2017 3rd sp. sess. and the effective date for that section subsequently amended by section 2, chapter 92, Laws of 2018 expires January 1, 2029, pursuant to the automatic expiration date established in RCW 82.32.805(1) (a).

Tax preference performance statement—2018 c 92: "(1) This section is the tax preference performance statement for the tax preference contained in section 108, chapter 28, Laws of 2017 3rd sp. sess. This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

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

(3) If a review finds that there is an increase in self-produced fuel as the result of this tax preference, then the legislature intends to extend the expiration date of this tax preference.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to any data collected by the state." [2018 c 92 s 1.]

Application—2017 3rd sp.s. c 28 ss 107-109: See note following RCW 82.12.0263.

Existing rights and liability—Severability—Application—Effective dates—2017 3rd sp.s. c 28: See notes following RCW 82.08.0531.