Chapter 3 Brokered Natural Gas

82.12.022(3) - Natural and manufactured gas not delivered by pipeline

Natural or manufactured gas delivered to customers by other means than through a pipeline is not subject to brokered natural gas use tax.						
This statute was enacted to clarify the application of this tax.						
(\$ in millions):						
. ,	FY 2020	FY 2021	FY 2022	FY 2023		
State Taxes				\$0.000		
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
Repealing this exemption would increase revenues.						
(\$ in millions):						
	FY 2020	FY 2021	FY 2022	FY 2023		
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
Currently, natural gas is only delivered via pipeline.						
Department of Revenue excise tax data						
Additional Inform	ation					
<u> </u>						
Program Inconsistency: None evident						
JLARC Review: JLARC completed an expedited report in 2016						
	pipeline is not subject This statute was enact (\$ in millions): State Taxes Local Taxes Repealing this exemp (\$ in millions): State Taxes Local Taxes Currently, natural gas Department of Rever Additional Inform Category: Year Enacted: Primary Beneficiario Taxpayer Count: Program Inconsister	pipeline is not subject to brokered na This statute was enacted to clarify the (\$ in millions): FY 2020 State Taxes \$0.000 Local Taxes \$0.000 Cocal Taxes \$0.000 Kepealing this exemption would increa (\$ in millions): FY 2020 State Taxes \$0.000 Local Taxes \$0.000 Currently, natural gas is only delivered Department of Revenue excise tax da Additional Information Category: Tax Base Year Enacted: 1994 Primary Beneficiaries: Custome Taxpayer Count: 0 Program Inconsistency: None evi	pipeline is not subject to brokered natural gas use tax This statute was enacted to clarify the application of (\$ in millions): FY 2020 FY 2021 State Taxes \$0.000 \$0.000 Local Taxes \$0.000 \$0.000 Repealing this exemption would increase revenues. (\$ in millions): FY 2020 FY 2021 State Taxes \$0.000 \$0.000 Local Taxes \$0.000 \$0.000 Currently, natural gas is only delivered via pipeline. Department of Revenue excise tax data Additional Information Category: Tax Base Year Enacted: 1994 Primary Beneficiaries: Customers that receive r Taxpayer Count: 0 Program Inconsistency: None evident	pipeline is not subject to brokered natural gas use tax. This statute was enacted to clarify the application of this tax. (\$ in millions): FY 2020 FY 2021 FY 2022 State Taxes \$0.000 \$0.000 \$0.000 Local Taxes \$0.000 \$0.000 \$0.000 Repealing this exemption would increase revenues. (\$ in millions): FY 2020 FY 2021 FY 2022 State Taxes \$0.000 \$0.000 \$0.000 Local Taxes \$0.000 \$0.000 \$0.000 Currently, natural gas is only delivered via pipeline. Department of Revenue excise tax data Additional Information Category: Tax Base Year Enacted: 1994 Primary Beneficiaries: Customers that receive natural gas via of Taxpayer Count: 0 Program Inconsistency: None evident		

82.12.022(4) - Natural gas subject to public utility tax

Description	Gas is not subject to the brokered natural gas use tax if the seller previously paid public utility tax with respect to the same gas.				
Purpose	This exemption eliminates double taxation of the same fuel. Gas purchased via brokers is generally not subject to public utility tax, and is the reason that the brokered natural gas tax is in place.				
Taxpayer	(\$ in millions):				
savings		FY 2020	FY 2021	FY 2022	FY 2023
	State Taxes	\$21.461	\$21.843	\$22.283	\$22.727
	Local Taxes	\$8.793	\$8.950	\$9.130	\$9.312
Potential revenue gains	(\$ in millions):				
from full repeal		FY 2020	FY 2021	FY 2022	FY 2023
nomnannepear	State Taxes	\$0.000	\$20.023	\$22.283	\$22.727
	Local Taxes	\$0.000	\$8.204	\$9.130	\$9.312
Assumptions Data Sources	July 1, 2020, effective date, with 11 months of collections in Fiscal Year 2021. Department of Revenue excise tax return data				
Additional	Additional Informa	ition			
Information	Category: Tax Base				
	Year Enacted: 1989				
	Primary Beneficiarie	s: Purchase	ers of gas via bro	okers	
	Taxpayer Count:	317			
	Program Inconsisten	cy: None evi	ident		
	JLARC Review: JLARC completed an expedited report in 2017				

82.12.022(5) - Aluminum smelter purchases of natural gas

Brokered natural gas use tax does not apply to the use of natural or manufactured gas by an aluminum smelter. This exemption expires on January 1, 2027.							
To support the aluminum industry.							
(\$ in millions):							
(,	FY 2022	FY 2023					
State Taxes	D			D			
	D	D	D	D			
		_					
Repealing this exemption would increase revenues.							
(Ś in millions):							
(,	FY 2020	FY 2021	FY 2022	FY 2023			
State Taxes		D	D	D			
Local Taxes	\$0.000	D	D	D			
	·			I]			
Fewer than three taxpayers benefit from this exemption, so revenue impact may not be disclosed.							
Information from the latest JLARC study							
Additional Information							
Year Enacted:							
Primary Beneficiarie	es: Aluminur	m smelters					
Taxpayer Count:		an three taxpay	vers				
JLARC Review: JLARC completed a full review in 2015							
	gas by an aluminum s To support the alumin (\$ in millions): State Taxes Local Taxes Repealing this exemp (\$ in millions): State Taxes Local Taxes State Taxes Local Taxes Fewer than three taxp not be disclosed. Information from the Additional Information Category: Year Enacted: Primary Beneficiarie Taxpayer Count: Program Inconsister	gas by an aluminum smelter. This exer To support the aluminum industry. (\$ in millions): FY 2020 State Taxes D Local Taxes D Cocal Taxes D Repealing this exemption would increa (\$ in millions): FY 2020 State Taxes \$0.000 Local Taxes \$0.000 Local Taxes \$0.000 Fewer than three taxpayers benefit fr not be disclosed. Information from the latest JLARC stu Additional Information Category: Business Year Enacted: 2004 Primary Beneficiaries: Aluminum Taxpayer Count: Fewer th Program Inconsistency: None evi	gas by an aluminum smelter. This exemption expires To support the aluminum industry. (\$ in millions): FY 2020 FY 2021 State Taxes D D D Local Taxes D D D Repealing this exemption would increase revenues. (\$ in millions): FY 2020 FY 2021 State Taxes \$0.000 D Local Taxes \$0.000 D Fewer than three taxpayers benefit from this exemp not be disclosed. Information from the latest JLARC study Additional Information Category: Business Year Enacted: 2004 Primary Beneficiaries: Aluminum smelters Taxpayer Count: Fewer than three taxpay Program Inconsistency: None evident	gas by an aluminum smelter. This exemption expires on January 1, 2 To support the aluminum industry. (\$ in millions): FY 2020 FY 2021 FY 2022 State Taxes D D D Local Taxes D D D (\$ in millions): FY 2020 FY 2021 FY 2022 State Taxes D D D Local Taxes S0.000 D D Ever than three taxpayers benefit from this exemption, so revenue not be disclosed. Fewer than three taxpayers benefit from this exemption, so revenue not be disclosed. Information from the latest JLARC study Additional Information Category: Business Year Enacted: 2004 Primary Beneficiaries: Aluminum smelters Taxpayer Count: Fewer than three taxpayers Program Inconsistency:			

82.12.022(7) - Silicon smelter use of natural or manufactured

gas

Description	Brokered natural gas use tax does not apply to the use of natural or manufactured gas by silicon smelter.					
	This tax preference expires on July 1, 2027. If smelters do not meet employment requirements, the tax preference will expire on January 1, 2024.					
Purpose	To promote the manufacturing of silicon for use in production of photovoltaic cells for solar energy systems.					
Taxpayer	(\$ in millions):					
savings		FY 2020	FY 2021	FY 2022	FY 2023	
	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
		· · ·				
Repeal of exemption	Repealing this exemption would increase revenues.					
Potential	(\$ in millions):					
revenue gains		FY 2020	FY 2021	FY 2022	FY 2023	
from full repeal	State Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Assumptions	No taxpayers are currently taking this credit.					
Data Sources	Department of Revenue excise tax return data					
Additional	Additional Information					
Information	Category:	Business	Business			
	Year Enacted:	2017				
	Primary Beneficiarie	es: Silicon sm	nelter facilities			
	Taxpayer Count:	0				
	Program Inconsister	ncy: None evid	dent			
	JLARC Review:	Not revie	wed by JLARC			

82.12.022(8) - Taxes paid in other states for natural gas

Description	 There is a credit against the natural gas use tax equal to any tax paid by: The seller, if the tax paid by the seller to another state is similar to Washington's public utility tax; or The consumer, if the tax paid by the consumer to another state is similar to Washington's natural gas use tax. 					
Purpose	To eliminate double taxation of the same fuel.					
Taxpayer	(\$ in millions):					
savings		FY 2	2020	FY 2021	FY 2022	FY 2023
	State Taxes		\$0.000	\$0.000	\$0.000	\$0.000
	Local Taxes		\$0.000	\$0.000	\$0.000	\$0.000
Repeal of exemption	Repealing this exemption would increase revenues.					
Potential	(\$ in millions):					
revenue gains		FY 2	2020	FY 2021	FY 2022	FY 2023
from full repeal	State Taxes		\$0.000	\$0.000	\$0.000	\$0.000
	Local Taxes		\$0.000	\$0.000	\$0.000	\$0.000
Assumptions	 Based on Department data, no taxpayers are currently taking this credit. No taxpayers will take the credit during the next four years. 					
Data Sources	Department of Revenue excise tax return data					
Additional	Additional Inform	ation				
Information	Category:		Interstate Commerce			
	Year Enacted:		1989			
	Primary Beneficiarie		Purchasers of gas via brokers with gas delivered from			
			other states			
	Taxpayer Count:	(0			
	Program Inconsister	ncy:	None evi	dent		
	JLARC Review: Not reviewed by JLARC					

82.12.024 - Deferral for direct service industries (DSIs)

Description	This statute allows a deferral of brokered natural gas tax for a direct service industry firm (DSI's) that constructs a new power plant. DSIs are firms that purchase power directly from the Bonneville Power Administration. The amount of deferred brokered natural gas use tax is not repaid if the firm continues production and their employment levels do not drop below base period levels.					
Purpose	To encourage direct service industry firms to continue manufacturing in Washington after existing power contracts with Bonneville Power Administration expire by building their own natural gas powered electric generating facilities.					
Taxpayer	(\$ in millions):					
savings	(+	FY 2020	FY 2021	FY 2022	FY 2023	
U	State Taxes	\$0.000	-	\$0.000	\$0.000	
	Local Taxes	\$0.000		\$0.000	\$0.000	
	LUCAITAXES	Ş0.000	\$0.000	Ş0.000	Ş0.000	
Repeal of exemption	Repealing this exemption would increase revenues.					
Potential	(\$ in millions):					
revenue gains		FY 2020	FY 2021	FY 2022	FY 2023	
from full repeal	State Taxes	\$0.000		\$0.000	\$0.000	
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	
Assumptions Data Sources	 Based on Department data, no taxpayers are currently taking this deferral. No taxpayers will take the deferral during the next four years. Department of Revenue excise tax return data					
Additional	Additional Inform	ation				
Information						
	n Category: Business Year Enacted: 2001					
	Primary Beneficiaries: Direct service industry firms constructing new power					
	Primary Deficiciditi	plants	ei vice muusti y H		Ruew hower	
	Taxpayer Count:	0				
		Program Inconsistency: None evident				
		JLARC Review: JLARC completed an expedited report in 2015				