

Special Notice

Intended audience: producers and sellers of renewable natural gas

July 24, 2019

Taxability of renewable natural gas

Effective July 28, 2019, the production and sale of renewable natural gas is no longer taxable under the public utility tax. The production and sale of all renewable natural gas, regardless of use, is subject to business and occupation (B&O) tax.

How do taxes apply?

Sales of renewable natural gas to consumers are subject to retailing B&O tax and retail sales tax.

Sales of renewable natural gas for resale are subject to wholesaling B&O tax. Buyers must provide the seller with a reseller permit.

Businesses that produce or process renewable natural gas are subject to manufacturing B&O tax and either Retailing B&O tax or Wholesaling B&O tax.

Definition

Renewable natural gas means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.

References

[House Bill 1070 \(Chapter 202, Laws of 2019\)](#)