



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 19, 2008

Gasoline Service Stations - B&O Tax Credit for Alternative Power Generation Device Purchases

To improve the availability of motor vehicle fuel during an electrical power outage, Third Substitute House Bill 2053 (Chapter 223, Laws of 2008) was enacted to provide a business and occupation (B&O) tax credit to eligible gasoline stations and other facilities for the purchase of alternative power generation devices and the labor and services to install the equipment. The credit is effective July 1, 2008 and expires June 30, 2011.

Who qualifies for the credit?

A business that sells motor vehicle or special fuel from a gasoline service station, or other facility, with at least four fuel pumps.

What is an "alternative power generation device"?

A device capable of providing electrical power for gasoline service station pumps during periods when regular electrical power is lost including, but not limited to, portable generators, standby generators, emergency generators, or other power generation devices. "Alternative power generation device" also includes wiring necessary to make the device capable of providing electrical power to the gasoline service station pumps.

How much B&O tax credit is available?

- The B&O tax credit is equal to 50 percent of the cost of the alternative power generation device (including charges for installing the device) up to a maximum credit of \$25,000.
 - Each taxpayer (legal entity) is allowed a maximum B&O tax credit of \$25,000, even if that taxpayer has multiple locations. The maximum credit is not separately applied to each of the taxpayer's business locations.
- The total amount of B&O tax credit available under this program:
 - from July 1, 2008 through June 30, 2009 = \$750,000
 - from July 1, 2009 through June 30, 2011 = \$750,000

How do I take the B&O tax credit?

- Purchase alternative generation device(s). Both the purchase of the equipment and filing of the return on which the credit is claimed must occur between July 1, 2008 and June 30, 2011.
- Businesses may begin taking the credit on the July 2008, Quarter 3, 2008 or Annual 2008 return based on their assigned filing frequency.
- Calculate the credit using the *Alternative Power Generation Credit Addendum* form (a copy is attached to this notice). Additional copies are available on our web site at dor.wa.gov under "Get a form or publication."
- The amount of credit taken on an excise tax return may not exceed the B&O tax due for that reporting period.
- Any excess credit can be carried forward. However, no credit will be granted after June 30, 2011.
- Enter the credit amount you are taking for the reporting period on the "Other Credits" line in the Credits Section of the excise tax return.

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- Attach the *Alternative Power Generation Credit Addendum* form to your return and mail both documents to the address on the return. The addendum is also available on the Department's Electronic Filing (E-file) system for those businesses that file electronically.

What happens if the credit limit has been reached?

- If the total amount of available credit is met, the Department will notify your business that the credit maximum was reached and grant you 30 days to pay the B&O tax that is due.
- If this happens and you are denied the credit during the July 1, 2008 to June 30, 2009 timeframe, you are eligible to re-take the credit during the July 1, 2009 to June 30, 2011 timeframe, when the statewide maximum credit is renewed to \$750,000. The credit is granted on a first-in basis.

Other things you should know

- Keep your receipts and invoices to document your qualified expenditures, including any charges for installing the alternative power generation devices.
- There is no application or pre-approval required.
- There is no annual survey or report to file.
- You are not required to file your returns electronically to take advantage of this credit. However, you may find our E-File system more convenient. For more information, visit our web page at dor.wa.gov.



Alternative Power Generation Credit Addendum

Tax Registration Number _____ - _____ - _____ Tax Reporting Period _____

Business Name _____ Phone Number () _____

Address _____

City _____ State _____ Zip _____

Instructions

- Please complete the worksheet below. Transfer the total amount of credit taken this period, (line 8) to the *Other Credits* line on page 2 of your excise tax return.
- Please attach a copy of this worksheet to your excise tax return when credit is claimed.
- For more information about this credit, please call (360) 902-7126.

1.	Total amount spent on alternative power generation device or installation since July 1, 2008. (Include amounts reported on previous returns.).....	\$ _____
2.	The credit equals 50% of cost of equipment and installation. (Multiply line 1 by .50).....	\$ _____
3.	Individual Cap.....	\$ <u>25,000.00</u>
4.	Credit allowed (Enter the lesser amount from line 2 or 3.).....	\$ _____
5.	Enter credit previously taken	\$ _____
6.	Credit available for this return. (Subtract line 5 from line 4.)	\$ _____
7.	Total amount of credit taken this period (Amount cannot exceed your B&O liability).	\$ 846 _____
8.	Amount of credit to be carried forward. (Subtract line 7 from line 6.)	\$ _____

Signature _____ Date _____

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