



# EXPEDITED RULE MAKING

**CR-105 (June 2004)**  
(Implements RCW 34.05.353)  
**EXPEDITED RULE MAKING ONLY**

**Agency:** Department of Revenue

**Title of rule and other identifying information:** **WAC 458-20-121 Sales of heat or steam—Including production by cogeneration.** This rule provides tax reporting information for persons who sell heat and/or steam. It also provides information on the use tax liability of persons that produce fuel used to produce heat or steam.

**WAC 458-20-134 Commercial or industrial use.** This rule discusses the taxability of manufacturers and extractors that are consumers of products or by-products that they themselves have manufactured or extracted.

### NOTICE

**THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO**

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**AND RECEIVED BY:** April 19, 2010

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The Department proposes to amend these rules to recognize provisions of Chapter 469, Laws of 2009 (Engrossed Substitute Senate Bill 6170). These provisions provide a sales and use tax exemption for hog fuel sold or used to produce electricity, steam, heat, or biofuel.

The proposed amendment to WAC 458-20-134 also includes language providing information regarding the “value of article used” in the case of prototypes. RCW 82.12.010(2)(e). This rule does not currently recognize these provisions.

Copies of draft rules are available for viewing and printing on our website at:  
<http://dor.wa.gov/content/FindALawOrRule/RuleMaking/agenda.aspx>

**Reasons supporting proposal:** Rules 121 and 134 need to be updated to recognize 2009 legislation so that they do not conflict with current law.

**Statutory authority for adoption:**  
RCWs 82.32.300 and 82.01.060(2)

**Statute being implemented:** RCW’s 82.04.100, .120, .130, .190, .210, .216, .290, 82.08.956, 82.12.010, & .020,

**Is rule necessary because of a:**

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If yes, CITATION:

#### CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: February 12, 2010  
TIME: 3:09 PM

**WSR 10-05-074**

**Date**  
February 12, 2010

**Name**  
Alan R. Lynn

**Signature**

**Title** Rules Coordinator

**Name of proponent:** (person or organization) Department of Revenue

- Private
- Public
- Governmental

**Name of agency personnel responsible for:**

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**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**