PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

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DATE: October 20, 2026
TIME: 6:20 PM

WSR 26-21-087

Agency: Department of Revenue

Subject of possible rule making: WAC 458-20-263 Exemptions—Sales of machinery and equipment used in generating electricity—Solar energy systems—Nonsolar renewable energy systems.

Statutes authorizing the agency to adopt rules on this subject: RCW 82.32.300; 82.01.060

Reasons why rules on this subject may be needed and what they might accomplish: RCW 82.08.962 and 82.12.962 establish tax exemptions for retail sales and use taxes for qualifying electric systems using renewable energy sources. This rule defines and explains what energy systems will qualify for the exemption and how the department will administer it, including effective dates, refunds, recordkeeping, and filing annual tax performance reports.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: Although the Washington State Department of Labor and Industries (L&I) administers some of the labor requirements related to this rule, it is not involved in defining the requirements for qualifying for the taxation exemption or in administering it. The nontax labor standards and definitions are coordinated with L&I, but it is not necessary to involve L&I in setting up rules for meeting the taxation exemption requirements provided in this rule.

Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☐ Agency study
- ☒ Other (describe) Parties interested in this rule-making may contact the individual listed below. The public may also participate by providing written comments throughout this rule making or giving oral testimony at the public meeting or public hearing.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

	(If necessary)
Name: Sharon Hester	Name: Julie King
Address: PO Box 47453, Olympia, WA 98504-7453	Address:
Phone: 360-534-1597	Phone: 360-704-5733
Fax: 360-534-1606	Fax: 360-704-5733
TTY: 800-833-6384	TTY: 800-833-6384
Email: SharonH@dor.wa.gov	Email:
Web site: DOR.WA.GOV	Web site: DOR.WA.GOV
Other:	Other:

Additional comments: A preliminary draft of possible rule changes will be available upon request shortly before the public meeting. Written comments may be submitted by email and should be directed to Sharon Hester using one of the contact methods above.
Written and oral comments will be accepted at the Public Meeting.
Date: November 19, 2026
Time: 11:00 am
Public Meeting Location: Telephonic/internet meeting only. Contact CathyH@dor.wa.gov for dial-in/login information.

Date: 10/20/ 2026	**Signature:**
Name: Perry Samans	
Title: Rules Coordinator	