



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

UPDATED APRIL 2018

## Self-Produced Fuel subject to use tax

Starting January 1, 2018, self-produced fuel will be subject to use tax (at the rates listed below). Biomass fuel will continue to be exempt from use tax.

This change came about because a new tax law narrowed the use tax exemption in RCW 82.12.0263. This RCW discusses how tax applies to fuel produced by a manufacturer or extractor when the fuel is used directly in the manufacturing or extracting process.

Your business owes use tax on fuel that you use after January 1, 2018, regardless of when you extracted or manufactured the fuel. The use of fuel continues to be exempt from local use tax.

## Refinery Fuel

When you calculate use tax on refinery fuel, base the value of the fuel on the most recent monthly United States natural gas wellhead price. The U.S. Energy Information Administration (EIA) publishes this price. Businesses that use refinery fuel must pay use tax based on the following rates:

- 0.963% - From January 1, 2018 through December 31, 2018.
- 1.926% - From January 1, 2019 through December 31, 2019.
- 2.889% - From January 1, 2020 through December 31, 2020.
- 3.852% - From January 1, 2021, and after.

## Definitions

“Biomass fuel” means wood waste and other wood residuals, including forest derived biomass. This definition also includes partially organic by-products of pulp, paper, and wood manufacturing processes. It does not include firewood or wood pellets.

## Questions?

Please call 1-800-647-7706.