



ADDENDUM TO PRIVATE TAXPAYER RULING LR11-004

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Governor

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June 13, 2012

The Department issues this addendum to Private Taxpayer Ruling LR11-004 for your client . . . in response to the additional information provided on August 31, 2011, December 15, 2011, February 27, 2012, and April 3, 2012.

The Department issued Private Taxpayer Ruling LR11-004 on March 30, 2011, but was unable to determine the taxability of a listing of the specific wastewater treatment facility equipment that was submitted with the private taxpayer ruling request, due to a lack of information on which to base a taxability determination. Relevant information provided subsequent to the issuance of LR11-004 has allowed the Department to make the taxability determinations in the attached appendix.

LR11-004 Appendix provides taxability determinations for the listing of machinery and equipment that will be purchased for the upgrade and expansion of . . . [a wastewater reclamation facility], that had been submitted with the private taxpayer ruling request that resulted in LR11-004. The statutory basis for exemption from transaction privilege tax cited in the LR11-004 Appendix is as follows.

Arizona Revised Statutes (A.R.S.) § 42-5075 provides for the imposition of the state's transaction privilege tax under the prime contracting classification. In pertinent part, subsection (B) describes the tax base for this business classification and provides a deduction that may apply to the purchase of machinery, equipment and other tangible personal property for the Project:

B. The tax base for the prime contracting classification is sixty-five per cent of the gross proceeds of sales or gross income derived from the business. The following amounts shall be deducted from the gross proceeds of sales or gross income before computing the tax base:

. . .

9. The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from transaction privilege and use tax under:

- (a) Section 42-5061, subsection A, paragraph 25 or 29.
- (b) Section 42-5061, subsection B.
- (c) Section 42-5159, subsection A, paragraph 13, subdivision (a), (b), (c), (d), (e), (f), (i), (j) or (l).
- (d) Section 42-5159, subsection B.

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A.R.S. § 42-5061 *Retail classification*, provides for the imposition of the state's transaction privilege tax on the gross proceeds of sales or gross income derived from the business of selling tangible personal property at retail. In pertinent part, subsection (B) provides deductions from a retailer's tax base for the gross proceeds of sales or gross income derived from the following sales of tangible personal property:

1. Machinery, or equipment, used directly in manufacturing, processing, fabricating, job printing, refining or metallurgical operations. The terms "manufacturing", "processing", "fabricating", "job printing", "refining" and "metallurgical" as used in this paragraph refer to and include those operations commonly understood within their ordinary meaning. "Metallurgical operations" includes leaching, milling, precipitating, smelting and refining.

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6. Pipes or valves four inches in diameter or larger used to transport oil, natural gas, artificial gas, water or coal slurry, including compressor units, regulators, machinery and equipment, fittings, seals and any other part that is used in operating the pipes or valves.

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19. Machinery or equipment, including related structural components, that is employed in connection with manufacturing, processing, fabricating, job printing, refining, mining, natural gas pipelines, metallurgical operations, telecommunications, producing or transmitting electricity or research and development and that is used directly to meet or exceed rules or regulations adopted by the federal energy regulatory commission, the United States environmental protection agency, the United States nuclear regulatory commission, the Arizona department of environmental quality or a political subdivision of this state to prevent, monitor, control or reduce land, water or air pollution.

A.R.S. § 42-5159 *Exemptions*, provides that the Arizona use tax does not apply to the storage, use or consumption in Arizona of certain purchases of tangible personal property. The use tax exemptions provided by A.R.S. § 42-5159, subsections (B)(1), (B)(6), and (B)(19) are identical to the corresponding transaction privilege tax deductions shown above.

Conclusion

The taxability determinations provided by LR11-004 Appendix as an addendum to private taxpayer ruling LR11-004 issued on behalf of your client . . . , do not extend beyond the facts presented in your correspondences dated April 29 and August 13, 2010; August 31 and December 15, 2011; and February 27 and April 3, 2012.

This addendum to private taxpayer ruling LR11-004 and the determinations herein are based solely on the facts provided in your request and subsequent correspondence. The determinations are subject to change should the facts prove

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to be different on audit. If it is determined that undisclosed facts were substantial or material to the department's making of an accurate determination, this addendum to private taxpayer ruling LR11-004 shall be null and void. Further, the determination is subject to future change depending on changes in statutes, administrative rules, case law or notification of a different department position.

The determinations in private taxpayer ruling LR11-004 and this addendum are only applicable to the taxpayer requesting the ruling and may not be relied upon, cited nor introduced into evidence in any proceeding by a taxpayer other than the taxpayer who has received the private taxpayer ruling. In addition, this addendum to LR11-004 only applies to transactions that occur or tax liabilities that accrue from and after the date shown above.

LR11-004 Appendix:

The applicability of each retail classification deduction and use tax exemption cited below depends on the specific item description and on the item being purchased at retail from a retailer. The deduction allowed by A.R.S. § 42-5075(B)(9) applies only to the retailer's sales price or purchase price of the exempt equipment. Installation and other activities associated with putting the retail purchases of exempt equipment into service are not allowed as a deduction from a prime contractor's tax base under A.R.S. § 42-5075(B)(9).

* "Statutory Deductions" cited as 42-5061(B)(1), 42-5061(B)(6) or 42-5061(B)(19) also respectively include the use tax exemptions provided by 42-5159(B)(1), 42-5159(B)(6), or 42-5159(B)(19).

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	<u>Area A – East Plant</u>			
	Work Area 30 – Headworks			
30-1	Mechanically-cleaned coarse bar screens.	Separate solids from sewage stream	Exempt	42-5061(B)(1)
30-2	Influent screw pump.	Pump sewage to downstream processes	Exempt	42-5061(B)(1)
30-3	Rotating fine screen.	Separate solids from sewage stream	Exempt	42-5061(B)(1)
30-4	Grit collection, pumping, and processing equipment	Separate, pump, and wash grit	Exempt	42-5061(B)(1)
30-5	Coarse bubble diffuser system	Mix sewage flow	Exempt	42-5061(B)(1)
30-6	Concrete for grit chamber	Tankage to contain and treat process fluids	Taxable	
30-7	Interconnect foul air odor control system	Clean odorous air from process	Exempt	42-5061(B)(19)
30-8	Slide gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
30-9	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
30-10	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
30-11	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
30-12	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
30-13	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
30-14	Process piping	Convey process flow	Exempt	42-5061(B)(1)
30-15	Fabricated reinforcing steel for new grit structure	Shop fabricated steel reinforcing for grit chamber tankage	Taxable	
30-16	Cable and conduit for process control	Control of process equipment	Exempt (1)	42-5061(B)(1)
30-17	Motor control center	Provides power to process equipment	Exempt	42-5061(B)(1)
30-18	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
30-19	Air handling unit	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(19)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 30 – Headworks (continued)			
30-20	Ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(19)
	Work Area 32 – East Intermediate Pump Station			
32-1	Intermediate sewage pump	Pump sewage to downstream processes	Exempt	42-5061(B)(1)
32-2	Adjustable frequency drives for sewage pump	Regulate pump speed to control process	Exempt	42-5061(B)(1)
32-3	Slide gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
32-4	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
32-5	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
32-6	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
32-7	Process piping	Convey process flow	Exempt	42-5061(B)(1)
32-8	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
32-9	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
32-10	Concrete for pump station wet well	Contain process fluids	Taxable	
	Work Area 33 – Primary Clarifier			
33-1	Primary clarifier equipment	Remove solids from sewage flow	Exempt	42-5061(B)(1)
33-2	Scum collection equipment	Remove scum from sewage flow	Exempt	42-5061(B)(1)
33-3	Coarse air diffuser system	Mix sewage flow	Exempt	42-5061(B)(1)
33-4	Primary sludge pump	Pump sludge to downstream processing	Exempt	42-5061(B)(1)
33-5	Primary clarifier dewatering pump	Pump out contents of primary clarifier	Exempt	42-5061(B)(1)
33-6	Slide gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
33-7	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
33-8	Programmable logic controller and related software	Control process equipment	Exempt	42-5061(B)(1)
33-9	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
33-10	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
33-11	Process piping	Convey process flow	Exempt	42-5061(B)(1)
33-12	Weirs	Regulate process flow	Exempt	42-5061(B)(1)
33-13	Fabricated reinforcing steel for new primary clarifier	Shop fabricated reinforcing steel for tankage to contain process fluids	Taxable	
33-14	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 33 – Primary Clarifier (continued)			
33-15	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
33-16	Concrete for new primary clarifier basin	Tankage to contain and treat process fluids	Taxable	
	Work Area 34 – East Blower Building			
34-1	Sanitary sewer sump pump	Pump sewage	Exempt	42-5061(B)(1)
34-2	Process air filters	Remove debris from process air	Exempt	42-5061(B)(1)
34-3	Process aeraton blowers	Provide process air for biological treatment	Exempt	42-5061(B)(1)
34-4	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
34-5	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
34-6	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
34-7	Process piping	Convey process flow	Exempt	42-5061(B)(1)
34-8	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
34-9	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
34-10	Air handling units	Provide conditioned air to process facility	Taxable	
34-11	Ventilation ductwork	Convey conditioned air to process facility	Taxable	
34-12	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
34-13	Motor control centers	Provides power to process equipment	Exempt	42-5061(B)(1)
34-14	Power distribution panels	Provides power to process equipment	Taxable	
34-15	Transformers	Provides power to process equipment	Taxable	
	Work Area 35 - East BNRAS Bioreactor			
35-1	Sluice gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
35-2	Aeration diffuser equipment	Provide process air for biological treatment and maintain process fluids in suspension	Exempt	42-5061(B)(1)
35-3	Mixers	Mix process flow streams and maintain fluids in suspension	Exempt	42-5061(B)(1)
35-4	Mixed liquor recycle pumps	Pump process fluids	Exempt	42-5061(B)(1)
35-5	Adjustable frequency drives for mixed liquor recycle pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
35-6	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 35 - East BNRAS Bioreactor (cont.)			
35-7	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
35-8	Process piping	Convey process flow	Exempt	42-5061(B)(1)
35-9	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
35-10	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
	Work Area 49 – East Bioreactor			
49-1	Sluice gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
49-2	Stop logs	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
49-3	Aeration diffuser equipment	Provide process air for biological treatment and maintain process fluids in suspension	Exempt	42-5061(B)(1)
49-4	Mixers	Mix process flow streams and maintain fluids in suspension	Exempt	42-5061(B)(1)
49-5	Mixed liquor recycle pumps	Pump process fluids	Exempt	42-5061(B)(1)
49-6	Adjustable frequency drives for mixed liquor recycle pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
49-7	Odor control system	Clean odorous air from process	Exempt	42-5061(B)(19)
49-8	Weirs	Control process flow	Exempt	42-5061(B)(1)
49-9	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
49-10	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
49-11	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
49-12	Process piping	Convey process flow	Exempt	42-5061(B)(1)
49-13	Fabricated reinforcing steel for new bioreactor	Shop fabricated reinforcing steel for tankage to contain process fluids	Taxable	
49-14	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
49-15	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
49-16	Concrete for new bioreactor basin	Tankage to contain and treat process fluids	Taxable	
	Work Area 36 – Secondary Clarifier East			
36-1	Secondary clarifier scum/sludge collector mechanism	Separate sludge and scum from process flow	Exempt	42-5061(B)(1)
36-2	Fabricated density current baffle	Regulate process flow through clarifier	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 36 – Secondary Clarifier East (cont.)			
36-3	Secondary clarifier weirs	Control process flow	Exempt	42-5061(B)(1)
36-4	Slide gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
36-5	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
36-6	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
36-7	Process piping	Convey process flow	Exempt	42-5061(B)(1)
36-8	Fabricated reinforcing steel for new secondary clarifier	Shop fabricated reinforcing steel for tankage to contain process fluids	Taxable	
36-9	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
36-10	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
36-11	Concrete for new secondary clarifier basin	Tankage to contain and treat process fluids process fluids	Taxable	
	Work Area 37 – RAS / WAS Pump Station			
37-1	Return activated sludge pump	Pump process fluids	Exempt	42-5061(B)(1)
37-2	Waste activated sludge pump	Pump process fluids	Exempt	42-5061(B)(1)
37-3	Adjustable frequency drives for sludge pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
37-4	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
37-5	Process piping	Convey process flow	Exempt	42-5061(B)(1)
37-6	Local control panels	Control process equipment	Exempt	42-5061(B)(1)
37-7	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
37-8	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
37-9	HVAC system for pump station	Provide conditioned air to process facility	Taxable	
37-10	HVAC ductwork	Convey and distributed conditioned air	Taxable	
37-11	Power distribution panels	Provides power to process equipment	Taxable	
	Work Area 38 – East Chlorine Contact Basin			
38-1	New electric actuators for sluice gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
38-2	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
38-3	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
38-4	Power distribution panel	Provides power to process equipment	Taxable	

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	<u>Area B - West Plant</u>			
	Work Area 4 - West Primary Clarifiers			
4-1	Motor actuators for sluice gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
4-2	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
4-3	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
4-4	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
4-5	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
4-6	Air handling units for primary sludge pump gallery	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
4-7	Air handling units for skimmer house	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
4-8	New ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
4-9	Exhaust fans	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
	Work Area 46 – West Blower Building			
46-1	Process air filters	Remove debris from process air	Exempt	42-5061(B)(1)
46-2	Process aeraton blowers	Provide process air for biological treatment	Exempt	42-5061(B)(1)
46-3	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
46-4	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
46-5	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
46-6	Process piping	Convey process flow	Exempt	42-5061(B)(1)
46-7	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
46-8	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
46-9	Air handling units	Provide conditioned air to process facility	Taxable	
46-10	Ventilation ductwork	Provide conditioned air to process facility	Taxable	
46-11	Motor control centers	Provides power to process equipment	Exempt	42-5061(B)(1)
46-12	Power distribution panels	Provides power to process equipment	Taxable	
46-13	Transformers	Provides power to process equipment	Taxable	
46-14	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 48 – West Bioreactor Basins			
48-1	Sluice gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
48-2	Stop logs	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
48-3	Intermediate sewage pumps	Pump sewage to downstream process	Exempt	42-5061(B)(1)
48-4	Adjustable frequency drives for intermediate pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
48-5	Aeration diffuser equipment	Provide process air for biological treatment and maintain process fluids in suspension	Exempt	42-5061(B)(1)
48-6	Mixers	Mix process flow streams and maintain fluids in suspension	Exempt	42-5061(B)(1)
48-7	Mixed liquor recycle pumps	Pump process fluids	Exempt	42-5061(B)(1)
48-8	Adjustable frequency drives for mixed liquor recycle pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
48-9	Odor control system	Clean odorous air from process	Exempt	42-5061(B)(19)
48-10	Weirs	Control process flow	Exempt	42-5061(B)(1)
48-11	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
48-12	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
48-13	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
48-14	Process piping	Convey process flow	Exempt	42-5061(B)(1)
48-15	Fabricated reinforcing steel for new bioreactor	Shop fabricated reinforcing steel for tankage to contain process fluids	Taxable	
48-16	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
48-17	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
48-18	Power distribution panels	Provides power to process equipment	Taxable	
48-19	Concrete for bioreactor basins	Tankage to contain and treat process fluids	Taxable	
	Work Area 50 – West Secondary Clarifiers			
50-1	Secondary clarifier scum/sludge collector mechanisms	Separate sludge and scum from process flow	Exempt	42-5061(B)(1)
50-2	Fabricated density current baffles	Regulate process flow through clarifier	Exempt	42-5061(B)(1)
50-3	Secondary clarifier weirs	Control process flow	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 50 – West Secondary Clarifiers (cont.)			
50-4	Sluice gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
50-5	Return activated sludge pumps	Pump process fluids	Exempt	42-5061(B)(1)
50-6	Scum pump	Pump process fluids	Exempt	42-5061(B)(1)
50-7	Adjustable frequency drives for pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
50-8	Power distribution panel	Provides power to process equipment	Taxable	
50-9	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
50-10	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
50-11	Process piping	Convey process flow	Exempt	42-5061(B)(1)
50-12	Fabricated reinforcing steel for new secondary clarifier	Shop fabricated reinforcing steel for tankage to contain process fluids	Taxable	
50-13	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
50-14	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
50-15	Concrete for new secondary clarifier basin	Tankage to contain and treat process fluids	Taxable	
	Work Area 13 – West Chlorine Contact Basin			
13-1	Sodium hypochlorite induction mixer	Mix chlorine solution with process fluid	Exempt	42-5061(B)(1)
13-2	Sluice gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
13-3	Process piping	Convey process flow	Exempt	42-5061(B)(1)
13-4	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
13-5	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
13-6	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
13-7	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
	Work Area 52 – New Chlorine Contact Basins			
52-1	Weir gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
52-2	Stop logs	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
52-3	Sluice gates	Control process flow and isolate equipment	Exempt	42-5061(B)(1)
52-4	Sample pumps	Pump process samples to sampler	Exempt	42-5061(B)(1)
52-5	Induction mixer	Mix chemicals with process fluids	Exempt	42-5061(B)(1)
52-6	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 52 – New Chlorine Contact Basins (cont.)			
52-7	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
52-8	Process piping	Convey process flow	Exempt	42-5061(B)(1)
52-9	Fabricated reinforcing steel for new chlorine contact tanks	Shop fabricated reinforcing steel for tankage to contain process fluids	Taxable	
52-10	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
52-11	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
52-12	Power distribution panel	Provides power to process equipment	Taxable	
52-13	Concrete for new chlorine contact tanks	Tankage to contain and treat process fluids	Taxable	
	Work Area 52 - Sodium Bisulfite Facility			
52-14	Fiberglass sodium bisulfite storage tanks	Store chemicals for treatment process	Exempt	42-5061(B)(1)
52-15	Sodium bisulfite metering pumps	Pump chemicals for treatment process	Exempt	42-5061(B)(1)
52-16	Sump pumps	Pump process fluids	Exempt	42-5061(B)(1)
52-17	Sodium bisulfite scrubber	Prevents discharges of chemical fumes	Exempt	42-5061(B)(1)
52-18	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
52-19	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
52-20	Process piping	Convey process flow	Exempt	42-5061(B)(1)
52-21	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
52-22	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
52-23	Power distribution panel	Provides power to process equipment	Taxable	
	Work Area 52 - Effluent Sampling Facility			
52-24	Automatic samplers	Collects samples for process control	Exempt	42-5061(B)(1)
52-25	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
52-26	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
52-27	Process piping	Convey process flow	Exempt	42-5061(B)(1)
52-28	Programmable logic controller and related software	Control process equipment	Exempt	42-5061(B)(1)
52-29	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
52-30	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
52-31	Power distribution panel	Provides power to process equipment	Taxable	

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 53 – Aqueous Ammonia Chemical Feed Facility			
53-1	Aqueous ammonia storage tanks	Store chemicals for treatment process	Exempt	42-5061(B)(1)
53-2	Aqueous ammonia metering pumps	Pump chemicals for treatment process	Exempt	42-5061(B)(1)
53-3	Ammonia scrubber	Prevents discharges of chemical fumes	Exempt	42-5061(B)(1)
53-4	Sump pumps	Pump process fluids	Exempt	42-5061(B)(1)
53-5	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
53-6	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
53-7	Process piping	Convey process flow	Exempt	42-5061(B)(1)
53-8	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
53-9	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
53-10	Power distribution panel	Provides power to process equipment	Taxable	
	Work Area 54 – Sodium Hypochlorite Chemical Feed Facility			
54-1	Fiberglass sodium hypochlorite storage tanks	Store chemicals for treatment process	Exempt	42-5061(B)(1)
54-2	Sodium hypochlorite metering pumps	Pump chemicals for treatment process	Exempt	42-5061(B)(1)
54-3	Sump pumps	Pump process fluids	Exempt	42-5061(B)(1)
54-4	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
54-5	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
54-6	Process piping	Convey process flow	Exempt	42-5061(B)(1)
54-7	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
54-8	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
54-9	Power distribution panel	Provides power to process equipment	Taxable	
	WORK AREA 76 – West Tank Drain Pump Station			
76-1	Precast concrete pump station	Tankage to contain process fluids	Exempt	42-5061(B)(1)
76-2	Submersible pumps	Pumps process fluids	Exempt	42-5061(B)(1)
76-3	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
76-4	Process control panels	Control process equipment	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	WORK AREA 76 – West Tank Drain Pump Station (continued)			
76-5	Process piping	Convey process flow	Exempt	42-5061(B)(1)
76-6	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
76-7	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
76-8	Power distribution panel	Provides power to process equipment	Taxable	
	<i>Area C - Solids Handling Facilities</i>			
	Work Area 8 – Sludge Thickeners			
8-1	Odor control ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
8-2	Air handling unit	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
8-3	Ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
8-4	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
8-5	Motor control centers	Provides power to process equipment	Exempt	42-5061(B)(1)
8-6	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
8-7	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
	Work Area 9 – Solids Thickening Building			
9-1	Process control laboratory equipment and casework	Monitor and control treatment process	Exempt	42-5061(B)(1)
9-2	Polymer storage feed system	Store, prepare, and pump chemicals to treatment process	Exempt	42-5061(B)(1)
9-3	Air handling unit	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
9-4	Ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
9-5	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
9-6	Process piping	Convey process flow	Exempt	42-5061(B)(1)
9-7	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
9-8	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 9 – Solids Thickening Building (cont			
9-9	Power distribution panels	Provides power to process equipment	Taxable	
9-10	Motor control centers	Provides power to process equipment	Exempt	42-5061(B)(1)
	Work Area 11 – Digester Control Building			
11-1	Digester gas dessicant dryer system		Exempt	42-5061(B)(1)
11-2	Odor control system	Clean odorous air from process	Exempt	42-5061(B)(19)
11-3	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
11-4	Digester gas drain pumps	Pump moisture from digester gas	Exempt	42-5061(B)(1)
11-5	Air handling units	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
11-6	Exhaust fans	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
11-7	Ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
11-8	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
11-9	Process piping	Convey process flow	Exempt	42-5061(B)(1)
11-10	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
11-11	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
11-12	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
11-13	Power distribution panels	Provides power to process equipment	Taxable	
11-14	Motor control centers	Provides power to process equipment	Exempt	42-5061(B)(1)
	Work Area 23 – Centrifuge Facility			
23-1	New centrifuges	Thicken or dewater sludge	Exempt	42-5061(B)(1)
23-2	Polymer storage and feed system	Store, prepare, and pump chemicals to treatment process	Exempt	42-5061(B)(1)
23-3	Sludge grinders	Grings solid materials in sludge stream	Exempt	42-5061(B)(1)
23-4	Sludge feed pumps	Pump sludge to centrifuges	Exempt	42-5061(B)(1)
23-5	Dewatered sludge pumps	Pump dewatered sludge	Exempt	42-5061(B)(1)
23-6	Adjustable frequency drives for new pumps and centrifuges	Regulate equipment speed to control process	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 23 – Centrifuge Facility (cont.)			
23-7	Centrate sump pumps	Pump centrate	Exempt	42-5061(B)(1)
23-8	Dewatered sludge cake hopper and loadout system	Sludge storage and loadout equipment	Exempt	42-5061(B)(1)
23-9	Odor control system	Clean odorous air from process	Exempt	42-5061(B)(19)
23-10	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
23-11	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
23-12	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
23-13	Process piping	Convey process flow	Exempt	42-5061(B)(1)
23-14	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
23-15	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
23-16	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
23-17	Air handling units	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
23-18	Ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
23-19	Exhaust fans	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
23-20	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
23-21	Motor control centers	Provides power to process equipment	Exempt	42-5061(B)(1)
23-22	Power distribution panels	Provides power to process equipment	Taxable	
23-23	Transformers	Provides power to process equipment	Taxable	
	Work Area 58 – WAS Thickening Facility			
58-1	Gravity belt thickeners (GBT's)	Thicken waste activated sludge	Exempt	42-5061(B)(1)
58-2	GBT Washwater pumps	Pumps water to remove sludge from GBT	Exempt	42-5061(B)(1)
58-3	GBT Filtrate pumps	Pumps filtrate from GBT	Exempt	42-5061(B)(1)
58-4	Thickened WAS transfer pump	Pumps thickened sludge from GBT	Exempt	42-5061(B)(1)
58-5	Service water booster pump	Pumps service water for thickening process	Exempt	42-5061(B)(1)
58-6	Ferric chloride storage tank	Store chemicals for treatment process	Exempt	42-5061(B)(1)
58-7	Ferric chloride sump pumps	Pump chemicals for treatment process	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 58 – WAS Thickening Facility (cont.)			
58-8	Ferric chloride metering pumps	Pumps process fluids	Exempt	42-5061(B)(1)
58-9	Adjustable frequency drives for pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
58-10	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
58-11	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
58-12	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
58-13	Process piping	Convey process flow	Exempt	42-5061(B)(1)
58-14	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
58-15	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
58-16	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
58-17	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
58-18	Power distribution panel	Provides power to process equipment	Taxable	
	Work Area 60 - Anaerobic Digesters and Control Building			
60-1	Digester gas holding covers	Capture and store digester gas	Exempt	42-5061(B)(1)
60-2	Digester overflow containment tank	Capture process sludge overflows	Exempt	42-5061(B)(1)
60-3	Digester gas compressors	Compress digester gas	Exempt	42-5061(B)(1)
60-4	Digester moisture and sediment trap	Collect moisture and sediment from digester gas	Exempt	42-5061(B)(1)
60-5	Digester odor control system	Clean odorous air from process	Exempt	42-5061(B)(19)
60-6	Digester foam separators	Remove foam from digester gas	Exempt	42-5061(B)(1)
60-7	Sludge hot water pumps	Pumps hot water to process heat exchanger	Exempt	42-5061(B)(1)
60-8	Sludge recirculation/heating pumps	Pumps sludge through heat exchanger	Exempt	42-5061(B)(1)
60-9	Sludge heat exchanger	Heats sludge to maintain sludge at proper temperature	Exempt	42-5061(B)(1)
60-10	Digested sludge transfer pumps	Pump digested sludge	Exempt	42-5061(B)(1)
60-11	Digester mixers	Mix digested sludge	Exempt	42-5061(B)(1)
60-12	Sanitary sewer sump pumps	Pump sanitary sewage	Exempt	42-5061(B)(1)
60-13	Process drainage sump pumps	Pump process drainage	Exempt	42-5061(B)(1)
60-14	Emergency waste gas burner	Burn gases from biological process	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 60 - Anaerobic Digesters and Control Building (cont.)			
60-15	Adjustable frequency drives for new pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
60-16	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
60-17	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
60-18	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
60-19	Process piping	Convey process flow	Exempt	42-5061(B)(1)
60-20	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
60-21	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
60-22	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
60-23	Air handling units	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
60-24	Ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
60-25	Exhaust fans	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
60-26	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
60-27	Motor control centers	Provides power to process equipment	Exempt	42-5061(B)(1)
60-28	Power distribution panels	Provides power to process equipment	Taxable	
60-29	Transformers	Provides power to process equipment	Taxable	
60-30	Sample sink	Collection of process fluid samples	Exempt	42-5061(B)(1)
60-31	Reinforcing steel for anaerobic digester	Shop fabricated reinforcing steel for tankage to contain process fluids	Taxable	
60-32	Concrete tankage for anaerobic digesters	Tankage to contain and treat process fluids	Taxable	
	Work Area 70 – Sludge and Centrate Storage Tanks			
70-1	Pre-fabricated aluminum tank covers	Contain odorous air from process tanks	Exempt	42-5061(B)(1)
70-2	Coarse bubble air diffuser system	Maintain process fluids in suspension	Exempt	42-5061(B)(1)
70-3	Digested sludge transfer pumps	Pump digested sludge	Exempt	42-5061(B)(1)
70-4	Gravity belt thickener feed pumps	Pump sludge to gravity belt thickener	Exempt	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 70 – Sludge and Centrate Storage Tanks (continued)			
70-5	Recycle pumps	Pump gravity belt thickener filtrate	Exempt	42-5061(B)(1)
70-6	Storage tank blowers	Provide air to maintain fluids in suspension	Exempt	42-5061(B)(1)
70-7	Adjustable frequency drives for pumps	Regulate pump speed to control process	Exempt	42-5061(B)(1)
70-8	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
70-9	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
70-10	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
70-11	Process piping	Convey process flow	Exempt	42-5061(B)(1)
70-12	Foul air ductwork	Convey odorous air to odor control system	Exempt	42-5061(B)(19)
70-13	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
70-14	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
70-15	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
70-16	Power distribution panel	Provides power to process equipment	Taxable	
70-17	Air handling unit	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
70-18	Exhaust fans	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
70-19	Ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
	Area D - Other Process Facilities			
	Work Area 15 – Tunnels			
15-1	Air handling units	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
15-2	Exhaust fans	Provide air changes in process areas to comply with code requirements	Exempt	42-5061(B)(1)
15-3	Ventilation ductwork	Convey and distribute air in process areas to comply with code requirements	Exempt	42-5061(B)(1)
15-4	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
15-5	Process piping	Convey process flow	Exempt	42-5061(B)(1)
15-6	Electrical wiring and conduit	Provides power to process equipment	Exempt (2)	42-5061(B)(1)

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 82 - 46-kV Substation and Control Building			
82-1	46-kV transformers	Provides power to process equipment	Taxable	
82-2	Cable and conduit for controls	Control process equipment	Exempt (1)	42-5061(B)(1)
82-3	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
82-4	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
82-5	Power distribution panel	Provides power to process equipment	Taxable	
82-6	Air conditioning units	Provide conditioned air to process facility	Taxable	
82-7	Ventilation fan	Provide conditioned air to process facility	Taxable	
82-8	Control panels	Control process equipment	Exempt	42-5061(B)(1)
82-9	Uninterruptible power supply	Provides power to process equipment	Taxable	
82-10	Instrumentation	Control process equipment	Exempt	42-5061(B)(1)
	Work Area 84 - Main Plant Switchgear			
84-1	Main Switchgear/Circuit Breakers	Provides power to process equipment	Taxable	
84-2	Process instrumentation	Control process equipment	Exempt	42-5061(B)(1)
84-3	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
84-4	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
84-5	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
84-6	Electrical wiring and conduit for process equipment	Provides power to process equipment	Exempt (2)	42-5061(B)(1)
84-7	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
84-8	Power distribution panels	Provides power to process equipment	Taxable	
84-9	Air handling units	Provide conditioned air to process facility	Taxable	
84-10	Ventilation ductwork	Provide conditioned air to process facility	Taxable	
84-11	Uninterruptible power supply	Provides power to process equipment	Taxable	
84-12	Transformers	Provides power to equipment	Taxable	

Ref.	Description of Plant Upgrades–Process Operations by Area	Function	Taxable /Exempt	* Statutory Deduction
	Work Area 16 – Operations Control Center			
16-1	Process control panels	Control process equipment	Exempt	42-5061(B)(1)
16-2	Programmable logic controllers and related software	Control process equipment	Exempt	42-5061(B)(1)
16-3	Cable and conduit for process control	Control process equipment	Exempt (1)	42-5061(B)(1)
16-4	Electrical wiring and conduit for process control equipment	Provides power to process control equipment	Exempt (2)	42-5061(B)(1)
16-5	Environmental monitoring system	Monitoring and alarms for noxious gases	Exempt	42-5061(B)(19)
16-6	Power distribution panels	Provides power to process control equipment	Taxable	
16-7	Air handling units	Provide conditioned air to control room	Taxable	
16-8	Ventilation ductwork	Provide conditioned air to control room	Taxable	
16-9	Uninterruptible power supply	Provides power to process control equipment	Exempt (3)	42-5061(B)(1)
	Protective Coatings			
16-10	Protective coatings for process tankage	Corrosion protection of process tankage	Taxable	
16-11	Protective coatings for process piping	Corrosion protection of process piping	Taxable	
16-12	Protective coatings for process equipment	Corrosion protection of process equipment	Taxable	
	Yard Piping			
16-13	Yard Piping - 4" and Larger Water Lines	Conveys water	Exempt	42-5061(B)(6)
16-14	Process yard piping	Conveys process fluids	Exempt	42-5061(B)(1)
	Electrical Ductbanks			
16-15	Electrical power ductbanks	Provides power to process equipment	Taxable	
16-16	Instrumentation and control ductbanks	Provides cables and wiring to control process equipment	Exempt (1)(2)	42-5061(B)(1)

(1) As provided in your December 15, 2011 response, “cable and conduit for process control” includes “electrical wiring or fiber optic cable and associated electrical conduit that is required to control process equipment (e.g. start-up, shut-down, speed up, slow down, open, close, etc.).” The purchase of cable and conduit that is not

used for the direct control of equipment *directly used in a wastewater treatment processing function per A.R.S. 42-5061(B)(1)*, is subject to tax at the time of purchase.

(2) As provided in your December 15, 2011 response, “electrical wiring and conduit for process equipment ... includes power wiring and associated electrical conduit to electrical equipment.” This category only applies to electrical wiring and conduit for exempt equipment that serves as the power cord and ‘plug’ to the electrical power source. It does not include any wiring, electrical power equipment, or other equipment beyond what serves as the plug to the electrical power source, or power distribution panels or transformers.

(3) Exempt based on the following description provided in your correspondence dated April 3, 2012:

“An uninterruptible power supply is a battery back-up power system for critical process computers (programmable logic controllers). In the event of a power failure, the uninterruptible power supply provides battery power to the process computers to maintain process control set points and prevent process failure. As an example, without an uninterruptible power supply, a power failure to a process computer might shut down a pump. Shutting down the pump could cause a back-up of sewage, resulting in an overflow. With an uninterruptible power supply, the pump will continue to operate eliminating the potential problem.”