

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 2903**

66th Legislature  
2020 Regular Session

Passed by the House February 27, 2020  
Yeas 98 Nays 0

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**Speaker of the House of  
Representatives**

Passed by the Senate March 11, 2020  
Yeas 45 Nays 1

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2903** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 2903

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Passed Legislature - 2020 Regular Session

State of Washington

66th Legislature

2020 Regular Session

By Representatives Chapman, Stokesbary, Chambers, Gildon, Tharinger,  
and Senn

Read first time 01/30/20. Referred to Committee on Finance.

1 AN ACT Relating to providing that qualified dealer cash  
2 incentives paid to auto dealers are bona fide discounts for purposes  
3 of the business and occupation tax; adding a new section to chapter  
4 82.04 RCW; creating a new section; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04  
7 RCW to read as follows:

8 (1) In computing tax under RCW 82.04.290(2), there may be  
9 deducted from the measure of tax the amount of qualified dealer cash  
10 incentives.

11 (2) The definitions in this subsection apply throughout this  
12 section unless the context clearly requires otherwise.

13 (a) "Motor vehicle" has the same meaning provided in RCW  
14 46.04.320.

15 (b) "Qualified dealer cash incentive" means a payment or credit  
16 offered to a motor vehicle dealer as defined in RCW 46.70.011(17) by  
17 a manufacturer of a motor vehicle where:

18 (i) The amount of the payment or credit is based on the quantity  
19 of a specified type of motor vehicle to be sold at retail by the  
20 seller, regardless of whether the seller is required to sell a  
21 specified minimum number of vehicles;

1 (ii) The seller knew the terms of the offer before making the  
2 retail sales that generated the payment or credit from the  
3 manufacturer; and

4 (iii) The seller is not required to provide any services to the  
5 manufacturer in order to receive the payment or credit from the  
6 manufacturer. The documentation of the retail sale that generated the  
7 payment or credit from the manufacturer is not a service provided to  
8 the manufacturer.

9 NEW SECTION. **Sec. 2.** The provisions of RCW 82.32.805 and  
10 82.32.808 do not apply to this act.

11 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2021.

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