
SUBSTITUTE SENATE BILL 5072

AS AMENDED BY THE HOUSE

Passed Legislature - 2013 Regular Session

State of Washington 63rd Legislature 2013 Regular Session

By Senate Ways & Means (originally sponsored by Senators Delvin, Hobbs, Baumgartner, Becker, Carrell, Roach, Schoesler, Holmquist Newbry, Hatfield, Hewitt, Shin, Keiser, and Rolfes)

READ FIRST TIME 02/08/13.

1 AN ACT Relating to a sales and use tax exemption for disabled
2 veterans and members of the armed forces for certain equipment and
3 services that assist physically challenged persons to safely operate a
4 motor vehicle; adding a new section to chapter 82.08 RCW; adding a new
5 section to chapter 82.12 RCW; creating a new section; providing an
6 effective date; and providing expiration dates.

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

8 NEW SECTION. **Sec. 1.** (1) The legislature finds that it is
9 important to recognize the service of active duty military and veterans
10 and to acknowledge the continued sacrifice of those veterans who have
11 been catastrophically injured. The legislature further finds that many
12 disabled veterans often need customized, accessible transportation to
13 be self-sufficient and to maintain a high quality of life. The
14 legislature further finds that individuals with a severe disability are
15 three times more likely to be at or below the national poverty level.
16 The legislature further finds that the federal government pays for the
17 cost of mobility adaptive equipment for severely injured veterans;
18 however, it does not cover the cost of sales or use tax owed on this
19 equipment. The legislature further finds that this cost is then

1 shifted onto the veterans, who often times cannot afford the tax due to
2 the substantial amount of adaptive equipment required in such
3 customized vehicles. The legislature further finds that this added
4 financial burden has the unintended effect of causing some veterans to
5 acquire their mobility adaptive equipment in neighboring states that do
6 not impose a sales tax, thereby negatively impacting Washington
7 businesses providing mobility enhancing equipment and services to
8 Washington veterans.

9 (2) It is the legislature's intent to provide specific financial
10 relief for severely injured veterans and to ameliorate a negative
11 consequence of Washington's tax structure by providing a sales and use
12 tax exemption for mobility adaptive equipment required to customize
13 vehicles for disabled veterans. It is the further intent of the
14 legislature to reexamine this exemption in five years to determine
15 whether it has mitigated the competitive disadvantage stemming from
16 Washington's tax structure on mobility businesses and to assess whether
17 the cost of the exemption in terms of forgone state revenue is beyond
18 what was reasonably assumed in the fiscal estimate for the legislation.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
20 to read as follows:

21 (1) The tax imposed by RCW 82.08.020 does not apply to sales to
22 eligible purchasers of prescribed add-on automotive adaptive equipment,
23 including charges incurred for labor and services rendered in respect
24 to the installation and repairing of such equipment. The exemption
25 provided in this section only applies if the eligible purchaser is
26 reimbursed in whole or part for the purchase by the United States
27 department of veterans affairs or other federal agency, and the
28 reimbursement is paid directly by that federal agency to the seller.

29 (2) Sellers making tax-exempt sales under this section must:

30 (a) Obtain an exemption certificate from the eligible purchaser in
31 a form and manner prescribed by the department. The seller must retain
32 a copy of the exemption certificate for the seller's files. In lieu of
33 an exemption certificate, a seller may capture the relevant data
34 elements as allowed under the streamlined sales and use tax agreement;

35 (b) File their tax return with the department electronically; and

36 (c) Report their total gross sales on their return and deduct the

1 exempt sales under subsection (1) of this section from their reported
2 gross sales.

3 (3) For purposes of this section, the following definitions apply
4 unless the context clearly requires otherwise:

5 (a) "Add-on automotive adaptive equipment" means equipment
6 installed in, and modifications made to, a motor vehicle that are
7 necessary to assist physically challenged persons to enter, exit, or
8 safely operate a motor vehicle. The term includes but is not limited
9 to wheelchair lifts, wheelchair restraints, ramps, under vehicle lifts,
10 power door openers, power seats, lowered floors, raised roofs, raised
11 doors, hand controls, left foot gas pedals, chest and shoulder
12 harnesses, parking brake extensions, dual battery systems, steering
13 devices, reduced and zero effort steering and braking, voice-activated
14 controls, and digital driving systems. The term does not include motor
15 vehicles and equipment installed in a motor vehicle by the manufacturer
16 of the motor vehicle.

17 (b) "Eligible purchaser" means a veteran, or member of the armed
18 forces serving on active duty, who is disabled, regardless of whether
19 the disability is service connected as that term is defined by federal
20 statute 38 U.S.C. Sec. 101, as amended, as of August 1, 2013.

21 (c) "Prescribed add-on automotive adaptive equipment" means add-on
22 automotive adaptive equipment prescribed by a physician.

23 (4) This section expires July 1, 2018.

24 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
25 to read as follows:

26 (1) The tax imposed by RCW 82.12.020 does not apply to the use of
27 prescribed add-on automotive adaptive equipment or to labor and
28 services rendered in respect to the installation and repairing of such
29 equipment. The exemption under this section only applies if the sale
30 of the prescribed add-on automotive adaptive equipment or labor and
31 services was exempt from sales tax under section 1 of this act or would
32 have been exempt from sales tax under section 1 of this act if the
33 equipment or labor and services had been purchased in this state.

34 (2) For purposes of this section, "prescribed add-on automotive
35 adaptive equipment" has the same meaning as provided in section 1 of
36 this act.

1 (3) This section expires July 1, 2018.

2 NEW SECTION. **Sec. 4.** This act takes effect August 1, 2013.

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