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SENATE BILL 6268

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State of Washington

63rd Legislature

2014 Regular Session

By Senators Litzow and Chase

1 AN ACT Relating to extending the alternative fuel vehicle retail  
2 sales and use tax exemption; amending RCW 82.08.809 and 82.12.809;  
3 creating a new section; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that alternative  
6 fuel vehicles cost more than comparable models of conventional fuel  
7 vehicles. The legislature further finds the higher cost of alternative  
8 fuel vehicles incentivize consumers to purchase comparable models of  
9 conventional fuel vehicles. The legislature further finds the federal  
10 government provides federal tax credits and, under current law,  
11 Washington provides a retail sales and use tax exemption on the  
12 purchase of new and qualifying used alternative fuel vehicles to  
13 incentivize consumers to purchase alternative fuel vehicles. The  
14 legislature further finds incentivizing consumers to purchase  
15 alternative fuel vehicles is an important step to reduce vehicle  
16 greenhouse gas emissions.

17 (2)(a) This subsection is the tax preference performance statement  
18 for the alternative fuel vehicle tax exemptions provided in RCW  
19 82.08.809 and 82.12.809. The performance statement is only intended to

1 be used for subsequent evaluation of the tax preference. It is not  
2 intended to create a private right of action by any party or be used to  
3 determine eligibility for preferential tax treatment.

4 (b) The legislature categorizes the tax preference as one intended  
5 to induce certain designated behavior by taxpayers and to improve  
6 industry competitiveness indicated in RCW 82.32.808(2) (a) and (b).

7 (c) It is the legislature's specific public policy objective to  
8 provide a sales and use tax exemption to increase sales of alternative  
9 fuel vehicles by ten percent by 2023 and reduce the difference of  
10 average cost between comparable models of alternative fuel vehicles and  
11 conventional fuel vehicles.

12 (d) To measure the effectiveness of the exemption provided in this  
13 act in achieving the specific public policy objective described in (c)  
14 of this subsection, the joint legislative audit and review committee  
15 must, at minimum, evaluate the following:

16 (i) Changes in number of alternative fuel vehicles registered in  
17 Washington;

18 (ii) Changes in the cost of alternative fuel vehicles;

19 (iii) Changes in the difference of average cost between comparable  
20 models of alternative fuel vehicles and conventional fuel vehicles.

21 (e)(i) The department of licensing and department of revenue must  
22 provide data needed for the joint legislative audit and review  
23 committee analysis in (d) of this subsection.

24 (ii) In addition to the data source described under (e)(i) of this  
25 subsection, the joint legislative audit and review committee may use  
26 any other data it deems necessary in performing the evaluation under  
27 (d) of this subsection.

28 **Sec. 2.** RCW 82.08.809 and 2010 1st sp.s. c 11 s 2 are each amended  
29 to read as follows:

30 (1)(a) The tax levied by RCW 82.08.020 does not apply to sales of  
31 new passenger cars, light duty trucks, and medium duty passenger  
32 vehicles, which are exclusively powered by a clean alternative fuel.

33 (b) The tax levied by RCW 82.08.020 does not apply to sales of  
34 qualifying used passenger cars, light duty trucks, and medium duty  
35 passenger vehicles, which were modified after their initial purchase,  
36 with an EPA certified conversion to be exclusively powered by a clean

1 alternative fuel. "Qualifying used passenger cars, light duty trucks,  
2 and medium duty passenger vehicles" means vehicles that:

3 (i) Are part of a fleet of at least five vehicles, all owned by the  
4 same person;

5 (ii) Have an odometer reading of less than thirty thousand miles;

6 (iii) Are less than two years past their original date of  
7 manufacture; and

8 (iv) Are being sold for the first time after modification.

9 (2) The seller must keep records necessary for the department to  
10 verify eligibility under this section.

11 (3) For sellers who electronically file their taxes, the department  
12 must provide a separate tax reporting line for exemption amounts  
13 claimed under this section.

14 (4) As used in this section, "clean alternative fuel" means natural  
15 gas, propane, hydrogen, or electricity, when used as a fuel in a motor  
16 vehicle that meets the California motor vehicle emission standards in  
17 Title 13 of the California code of regulations, effective January 1,  
18 2005, and the rules of the Washington state department of ecology.

19 ((+4)) (5) This section expires July 1, ((2015)) 2023.

20 **Sec. 3.** RCW 82.12.809 and 2010 1st sp.s. c 11 s 3 are each amended  
21 to read as follows:

22 (1)(a) Until July 1, ((2015)) 2023, the provisions of this chapter  
23 do not apply in respect to the use of new passenger cars, light duty  
24 trucks, and medium duty passenger vehicles, which are exclusively  
25 powered by a clean alternative fuel.

26 (b) Until July 1, ((2015)) 2023, the provisions of this chapter do  
27 not apply to the use of qualifying used passenger cars, light duty  
28 trucks, and medium duty passenger vehicles, which were modified after  
29 their initial purchase with an EPA certified conversion to be  
30 exclusively powered by a clean alternative fuel. As used in this  
31 subsection, "qualifying used passenger cars, light duty trucks, and  
32 medium duty passenger vehicles" has the same meaning as provided in RCW  
33 82.08.809.

34 (2) "Clean alternative fuel" has the same meaning as provided in  
35 RCW 82.08.809.

36 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020  
37 on the use, on or after July 1, ((2015)) 2023, of a passenger car,

1 light duty truck, or medium duty passenger vehicle exclusively powered  
2 by a clean alternative fuel, if the taxpayer used such vehicle in this  
3 state before July 1, ((2015)) 2023, and the use was exempt under this  
4 section from the tax imposed in RCW 82.12.020.

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