H-1274.1				

HOUSE BILL 2059

State of Washington 61st Legislature 2009 Regular Session

By Representatives Hope, Ericksen, Johnson, McCune, Haler, Bailey, Kristiansen, Cox, Warnick, Schmick, Rodne, Smith, and Kelley

Read first time 02/09/09. Referred to Committee on Finance.

AN ACT Relating to tax incentives for motor vehicle purchases to reduce air pollution; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating a new section; and providing an expiration date.

- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 82.08 RCW 7 to read as follows:
 - (1) The tax levied by RCW 82.08.020 does not apply to sales of passenger vehicles, if the purchaser trades in a passenger vehicle that is more than fifteen years old and the vehicle to be traded in is not compliant with United States environmental protection agency tier II emission standards. The exemption is only for the first two thousand dollars of tax paid on the purchase price.
 - (2) For the purposes of this section, "passenger vehicle" has the same meaning as "passenger car" provided in RCW 46.04.382.
 - (3) The exemption is available only if:

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17 (a) The passenger vehicle to be traded in has been licensed and 18 registered for the twenty-four-month period immediately preceding the 19 sale and is in satisfactory operating condition; and

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- 1 (b) The new vehicle purchased has a United States environmental 2 protection agency highway gasoline mileage rating of at least thirty 3 miles per gallon.
 - (4) Any trade-in property acquired from a person claiming the exemption in this section must be destroyed.
 - (5) The total amount that may be taken by all purchasers as an exemption under this section and section 2 of this act is twenty-five million dollars per year. If the department determines that at least twenty-two million dollars has been taken as an exemption under this section and section 2 of this act, the department shall notify motor vehicle dealers, in a writing sent by certified mail, that requires dealers not to provide the exemption to motor vehicle purchasers beginning two weeks from the date the letter is postmarked.
- NEW SECTION. Sec. 2. A new section is added to chapter 82.12 RCW to read as follows:
 - (1) The provisions of this chapter do not apply with respect to the use of passenger vehicles if the purchaser trades in a passenger vehicle to a motor vehicle dealer that is more than fifteen years old and the vehicle to be traded in is not compliant with United States environmental protection agency tier II emission standards. The exemption is only for the first two thousand dollars of tax paid on the purchase price.
- 23 (2) "Passenger vehicle" has the same meaning as provided in section 24 1 of this act.
 - (3) The exemption is available only if:

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- (a) The passenger vehicle to be traded in has been licensed and registered for the twenty-four-month period immediately preceding the sale and is in satisfactory operating condition; and
- 29 (b) The new vehicle purchased has a United States environmental 30 protection agency highway gasoline mileage rating of at least thirty 31 miles per gallon.
- 32 (4) Any trade-in property acquired from a person claiming the 33 exemption in this section must be destroyed.
- 34 NEW SECTION. Sec. 3. This act may be known and cited as the clean

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- 1 air and automobile incentive program.
- 2 <u>NEW SECTION.</u> **Sec. 4.** This act expires July 1, 2015.

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