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**SUBSTITUTE SENATE BILL 5736**

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**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** Senate Environment, Water & Energy (originally sponsored by Senators Rockefeller, Kohl-Welles, Pridemore, Berkey, Kastama, Shin, Jacobsen, Brandland, Hatfield, Keiser, McAuliffe, and Kline)

READ FIRST TIME 02/11/09.

1       AN ACT Relating to sales and use tax preferences for electric  
2 vehicles and electric vehicle infrastructure; amending RCW 82.08.809,  
3 82.12.809, and 82.08.020; adding new sections to chapter 82.08 RCW;  
4 adding new sections to chapter 82.12 RCW; repealing RCW 82.08.813 and  
5 82.12.813; repealing 2005 c 296 s 6 (uncodified); providing an  
6 effective date; providing expiration dates; and declaring an emergency.

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

8       **Sec. 1.** RCW 82.08.809 and 2005 c 296 s 1 are each amended to read  
9 as follows:

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

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

15       (3) As used in this section, "clean alternative fuel" means natural  
16 gas, propane, or hydrogen, (~~or electricity,~~) when used as a fuel in  
17 a motor vehicle that meets the California motor vehicle emission  
18 standards in Title 13 of the California code of regulations, effective

1 January 1, 2005, and the rules of the Washington state department of  
2 ecology.

3 (4) This section expires June 30, 2014.

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

6 (1) The tax levied by RCW 82.08.020 does not apply to the sale of  
7 electric vehicles or electric vehicle batteries or to the installation  
8 of electric vehicle infrastructure and its installation.

9 (2) For the purposes of this section, the following definitions  
10 apply:

11 (a) "Electric vehicle" means a passenger vehicle, as defined in RCW  
12 46.04.382, that uses electricity as its primary source of power, such  
13 as a plug-in electric vehicle or plug-in hybrid electric vehicle; and

14 (b) "Electric vehicle infrastructure" means structures, labor,  
15 machinery, equipment, circuitry, and electrical appliances necessary to  
16 support an electric vehicle, including battery recharging stations and  
17 outlets and battery exchange stations.

18 (3) This section expires June 30, 2014.

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

21 (1) The provisions of this chapter do not apply with respect to the  
22 use of electric vehicles or electric vehicle batteries or to the use of  
23 electric vehicle infrastructure and its installation.

24 (2) For the purposes of this section, "electric vehicle" and  
25 "electric vehicle infrastructure" have the same meanings as provided in  
26 section 2 of this act.

27 (3) This section expires June 30, 2014.

28 **Sec. 4.** RCW 82.12.809 and 2005 c 296 s 3 are each amended to read  
29 as follows:

30 (1) The provisions of this chapter do not apply in respect to the  
31 use of new passenger cars, light duty trucks, and medium duty passenger  
32 vehicles, which are exclusively powered by a clean alternative fuel.

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

35 (3) This section expires June 30, 2014.

1           **Sec. 5.** RCW 82.08.020 and 2006 c 1 s 3 are each amended to read as  
2 follows:

3           (1) Except as provided in subsection (6) of this section, there is  
4 levied and (~~there shall be~~) collected a tax on each retail sale in  
5 this state equal to six and five-tenths percent of the selling price.

6           (2) There is levied and (~~there shall be~~) collected an additional  
7 tax on each retail car rental, regardless of whether the vehicle is  
8 licensed in this state, equal to five and nine-tenths percent of the  
9 selling price. The revenue collected under this subsection shall be  
10 deposited in the multimodal transportation account created in RCW  
11 47.66.070.

12           (3) Beginning July 1, 2003, there is levied and collected an  
13 additional tax of three-tenths of one percent of the selling price on  
14 each retail sale of a motor vehicle in this state, other than retail  
15 car rentals taxed under subsection (2) of this section. The revenue  
16 collected under this subsection shall be deposited in the multimodal  
17 transportation account created in RCW 47.66.070.

18           (4) For purposes of subsection (3) of this section, "motor vehicle"  
19 has the meaning provided in RCW 46.04.320, but does not include farm  
20 tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,  
21 off-road and nonhighway vehicles as defined in RCW 46.09.020, and  
22 snowmobiles as defined in RCW 46.10.010.

23           (5) Beginning on December 8, 2005, 0.16 percent of the taxes  
24 collected under subsection (1) of this section shall be dedicated to  
25 funding comprehensive performance audits required under RCW 43.09.470.  
26 The revenue identified in this subsection shall be deposited in the  
27 performance audits of government account created in RCW 43.09.475.

28           (6)(a) Beginning July 1, 2014, until June 30, 2016, there is levied  
29 and collected a tax on each retail sale of an electric vehicle in this  
30 state equal to one and three-tenths percent of the selling price.

31           (b) Beginning July 1, 2016, until June 30, 2018, there is levied  
32 and collected a tax on each retail sale of an electric vehicle in this  
33 state equal to two and six-tenths percent of the selling price.

34           (c) Beginning July 1, 2018, until June 30, 2020, there is levied  
35 and collected a tax on each retail sale of an electric vehicle in this  
36 state equal to three and nine-tenths percent of the selling price.

37           (d) Beginning July 1, 2020, until June 30, 2022, there is levied

1 and collected a tax on each retail sale of an electric vehicle in this  
2 state equal to five and two-tenths percent of the selling price.

3 (e) Beginning July 1, 2022, and thereafter, there is levied and  
4 collected a tax on each retail sale of an electric vehicle in this  
5 state equal to six and five-tenths percent of the selling price.

6 (f) As used in this subsection "electric vehicle" has the same  
7 meaning as provided in section 2 of this act.

8 (7) The taxes imposed under this chapter (~~shall~~) apply to  
9 successive retail sales of the same property.

10 (~~(7)~~) (8) The rates provided in this section apply to taxes  
11 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

12 NEW SECTION. Sec. 6. A new section is added to chapter 82.08 RCW  
13 to read as follows:

14 (1) The tax levied by RCW 82.08.020 does not apply to the sale of  
15 vehicles which become part of a vehicle fleet that is certified by the  
16 Puget Sound clean air agency or similar recognized certifying agency as  
17 an evergreen fleet.

18 (2) This section expires June 30, 2014.

19 NEW SECTION. Sec. 7. A new section is added to chapter 82.12 RCW  
20 to read as follows:

21 (1) The provisions of this chapter do not apply to the use of  
22 vehicles which become part of a vehicle fleet that is certified by the  
23 Puget Sound clean air agency or similar recognized certifying agency as  
24 an evergreen fleet.

25 (2) This section expires June 30, 2014.

26 NEW SECTION. Sec. 8. The following acts or parts of acts are each  
27 repealed:

28 (1) RCW 82.08.813 (Exemptions--High gas mileage vehicles) and 2005  
29 c 296 s 2; and

30 (2) RCW 82.12.813 (Exemptions--High gas mileage vehicles) and 2005  
31 c 296 s 4.

32 NEW SECTION. Sec. 9. 2005 c 296 s 6 (uncodified) is repealed.

1        NEW SECTION.    **Sec. 10.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    July 1, 2009.

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