H-1788.1

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**SUBSTITUTE HOUSE BILL 1736**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** House Housing, Community Development & Veterans (originally sponsored by Representatives Kraft, Lovick, Dent, Kirby, Klippert, Peterson, Walsh, Kilduff, Stanford, Van Werven, Young, and Leavitt)

AN ACT Relating to tax relief for veterans and service members with disabilities to purchase adaptive agricultural equipment; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating new sections; providing an effective date; and providing expiration dates.

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

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preferences contained in chapter . . ., Laws of 2019 (this act). This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) It is the legislature's intent to provide specific financial relief for disabled veterans by providing a sales and use tax exemption in the form of a remittance for adaptive agricultural equipment.

(3) The legislature categorizes the tax preferences in this act as ones intended to provide tax relief for certain individuals or businesses, as indicated in RCW 82.32.808(2)(e).

(4) To measure the effectiveness of chapter . . ., Laws of 2019 (this act) in achieving the specific public policy objective described in subsection (2) of this section, the joint legislative audit and review committee must, at minimum, review the number and dollar amount of qualifying adaptive agricultural equipment purchases, as reported to the department of revenue.

(4) In addition to the data sources described under this section, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under this section.

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

(1) An eligible purchaser who has paid the tax levied by RCW 82.08.020 on adaptive agricultural equipment, including charges incurred for labor and services in respect to the purchase, installation, modification, or repair of such adaptive equipment, is eligible for an exemption from those taxes in the form of a remittance. The remittance under this section is for the state portion of the sales tax only.

(2)(a) An eligible purchaser claiming an exemption from tax in the form of a remittance under this section must pay the tax imposed by RCW 82.08.020 on such purchases eligible for the remittance. The eligible purchaser may then apply to the department for remittance of the tax paid under RCW 82.08.020 on such purchases. The application must include invoices for purchases qualifying for a remittance and documentation that the purchaser meets the requirements of an eligible purchaser under this section.

(b) An eligible purchaser may not apply for more than one remittance under this section per calendar quarter.

(c) An eligible purchaser may not apply for a single remittance under this section in excess of five thousand dollars. The sum of remittances applied for by an eligible purchaser under this section may not exceed ten thousand dollars in a given year.

(d) The department must on a quarterly basis remit exempted amounts to eligible purchasers whose applications were approved by the department during the previous quarter.

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

(a) "Adaptive agricultural equipment" means agricultural equipment, or equipment installed in or modifications made to agricultural equipment, that are necessary to assist physically challenged persons to operate the equipment. The term includes, but is not limited to, hand or foot controls, additional or modified steps, chest and shoulder harnesses, handrails, motorized lifts, hydraulic or electronic controls and hoisters, power door openers, and automatic hitch systems.

(b) "Eligible purchaser" means:

(i) A veteran, or member of the armed forces serving on active duty, with a service-connected disability as that term is defined in federal statute by Title 38 U.S.C. Sec. 101, as amended, as of January 1, 2019; or

(ii) A farm owner that employs a disabled veteran as defined in (b)(i) of this subsection on a full-time basis for at least six months during the year in which the remittance is claimed. The disabled veteran employee must use the exempted equipment on a regular basis during the course of their regular employment duties.

(4) This section expires July 1, 2029.

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

(1) An eligible purchaser who has paid the tax levied by RCW 82.12.020 on adaptive agricultural equipment or on labor and services rendered in respect to the purchase, installation, modification, or repair of such equipment is eligible for an exemption from that tax in the form of a remittance.

(2) All of the eligibility requirements, conditions, limitations, and definitions in section 2 of this act apply to this section.

(3) This section expires July 1, 2029.

NEW SECTION. **Sec.**  This act applies to sales or uses that occur on or after September 1, 2019.

NEW SECTION. **Sec.**  This act takes effect September 1, 2019.

**--- END ---**