

HB 1118

Bill Analysis

February 2, 1999

Brief Description: Providing sales and use tax exemptions for electric vehicles.

Bill Sponsors: Representative Pennington.

Brief Summary of Bill

- Exempts electric vehicles from sales and use tax.

Staff: Rick Peterson, 786-7150.

Background:

The sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. The total tax rate is between 7 percent and 8.6 percent, depending on location. Sales tax applies when items are purchased at retail in state. Use tax is imposed on the use of an item in this state when the acquisition of the item has not been subject to sales tax.

Summary of Bill:

The sale of electric vehicles is exempt from sales and use tax. Electric vehicles eligible for the exemption must have four wheels and be manufactured primarily for use on the public streets. The tax exemption ends on July 1, 2003.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on August 1, 1999.

House of Representatives
Office of Program Research
Finance Committee

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