

CERTIFICATION OF ENROLLMENT  
**SECOND SUBSTITUTE HOUSE BILL 2269**

Chapter 130, Laws of 2018

65th Legislature  
2018 Regular Session

ADAPTIVE AUTOMOTIVE EQUIPMENT--VETERANS AND SERVICE MEMBERS--SALES  
AND USE TAX EXEMPTION

EFFECTIVE DATE: June 7, 2018

Passed by the House March 6, 2018  
Yeas 98 Nays 0

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate March 8, 2018  
Yeas 49 Nays 0

CYRUS HABIB

**President of the Senate**

Approved March 21, 2018 11:25 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 2269** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

March 23, 2018

**Secretary of State  
State of Washington**

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SECOND SUBSTITUTE HOUSE BILL 2269

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Passed Legislature - 2018 Regular Session

State of Washington

65th Legislature

2018 Regular Session

By House Finance (originally sponsored by Representatives Kilduff, Muri, Kraft, Stanford, Eslick, McBride, Sawyer, Orcutt, Haler, Senn, Reeves, Young, Ryu, and Doglio)

1 AN ACT Relating to tax relief for adaptive automotive equipment  
2 for veterans and service members with disabilities; amending RCW  
3 82.08.875 and 82.12.875; creating new sections; and providing  
4 expiration dates.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that it is  
7 important to recognize the service of active duty military and  
8 veterans and to acknowledge the continued sacrifice of those veterans  
9 who have been catastrophically injured. The legislature further finds  
10 that:

11 (a) Many disabled veterans often need customized, accessible  
12 transportation to be self-sufficient and to maintain a high quality  
13 of life;

14 (b) Individuals with a severe disability are twice as likely to  
15 be at or below the national poverty level;

16 (c) The federal government pays for the cost of add-on automotive  
17 adaptive equipment for severely injured veterans; however, it does  
18 not cover the cost of sales or use tax owed on this equipment and  
19 that this cost is then shifted onto the veterans, who often times  
20 cannot afford the tax due to the substantial amount of adaptive  
21 equipment required in such customized vehicles; and

1 (d) This added financial burden has the unintended effect of  
2 causing some veterans to acquire their adaptive equipment in  
3 neighboring states that do not impose a sales tax, thereby negatively  
4 impacting Washington businesses providing mobility enhancing  
5 equipment and services to Washington veterans.

6 (2) It is the legislature's intent to provide specific financial  
7 relief for severely injured veterans and to ameliorate a negative  
8 consequence of Washington's tax structure by providing a sales and  
9 use tax exemption for adaptive equipment required to customize  
10 vehicles for disabled veterans.

11 NEW SECTION. **Sec. 2.** (1) This section is the tax preference  
12 performance statement for the tax preferences contained in this act.  
13 This performance statement is only intended to be used for subsequent  
14 evaluation of the tax preferences. It is not intended to create a  
15 private right of action by any party or be used to determine  
16 eligibility for preferential tax treatment.

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

20 (3) To measure the effectiveness of this act in achieving the  
21 specific public policy objective described in section 1 of this act,  
22 the joint legislative audit and review committee must, at minimum,  
23 review the following:

24 (a) The dollar amount of qualifying add-on automotive adaptive  
25 equipment purchases, as reported to the department of revenue; and

26 (b) The number of approved applications for add-on automotive  
27 adaptive equipment, as reported by the United States department of  
28 veterans affairs.

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

33 (5) The joint legislative audit and review committee must review  
34 the tax preferences provided in this act as part of its normal review  
35 process of tax preferences.

36 **Sec. 3.** RCW 82.08.875 and 2013 c 211 s 2 are each amended to  
37 read as follows:

1 (1) The tax imposed by RCW 82.08.020 does not apply to sales to  
2 eligible purchasers of prescribed add-on automotive adaptive  
3 equipment, including charges incurred for labor and services rendered  
4 in respect to the installation and repairing of such equipment. The  
5 exemption provided in this section only applies if the eligible  
6 purchaser is reimbursed in whole or part for the purchase by the  
7 United States department of veterans affairs or other federal agency,  
8 and the reimbursement is paid directly by that federal agency to the  
9 seller.

10 (2) Sellers making tax-exempt sales under this section must:

11 (a) Obtain an exemption certificate from the eligible purchaser  
12 in a form and manner prescribed by the department. The seller must  
13 retain a copy of the exemption certificate for the seller's files. In  
14 lieu of an exemption certificate, a seller may capture the relevant  
15 data elements as allowed under the streamlined sales and use tax  
16 agreement;

17 (b) File their tax return with the department electronically; and

18 (c) Report their total gross sales on their return and deduct the  
19 exempt sales under subsection (1) of this section from their reported  
20 gross sales.

21 (3) For purposes of this section, the following definitions apply  
22 unless the context clearly requires otherwise:

23 (a) "Add-on automotive adaptive equipment" means equipment  
24 installed in, and modifications made to, a motor vehicle that are  
25 necessary to assist physically challenged persons to enter, exit, or  
26 safely operate a motor vehicle. The term includes but is not limited  
27 to wheelchair lifts, wheelchair restraints, ramps, under vehicle  
28 lifts, power door openers, power seats, lowered floors, raised roofs,  
29 raised doors, hand controls, left foot gas pedals, chest and shoulder  
30 harnesses, parking brake extensions, dual battery systems, steering  
31 devices, reduced and zero effort steering and braking,  
32 voice-activated controls, and digital driving systems. The term does  
33 not include motor vehicles and equipment installed in a motor vehicle  
34 by the manufacturer of the motor vehicle.

35 (b) "Eligible purchaser" means a veteran, or member of the armed  
36 forces serving on active duty, who is disabled, regardless of whether  
37 the disability is service connected as that term is defined by  
38 federal statute 38 U.S.C. Sec. 101, as amended, as of ((August))  
39 January 1, ((2013)) 2018.

1 (c) "Prescribed add-on automotive adaptive equipment" means  
2 add-on automotive adaptive equipment prescribed by a physician.

3 (4) This section expires July 1, (~~2018~~) 2028.

4 **Sec. 4.** RCW 82.12.875 and 2013 c 211 s 3 are each amended to  
5 read as follows:

6 (1) The tax imposed by RCW 82.12.020 does not apply to the use of  
7 prescribed add-on automotive adaptive equipment or to labor and  
8 services rendered in respect to the installation and repairing of  
9 such equipment. The exemption under this section only applies if the  
10 sale of the prescribed add-on automotive adaptive equipment or labor  
11 and services was exempt from sales tax under RCW 82.08.875 or would  
12 have been exempt from sales tax under RCW 82.08.875 if the equipment  
13 or labor and services had been purchased in this state.

14 (2) For purposes of this section, "prescribed add-on automotive  
15 adaptive equipment" has the same meaning as provided in RCW  
16 82.08.875.

17 (3) This section expires July 1, (~~2018~~) 2028.

Passed by the House March 6, 2018.

Passed by the Senate March 8, 2018.

Approved by the Governor March 21, 2018.

Filed in Office of Secretary of State March 23, 2018.

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