

SSB 5072 - H COMM AMD
By Committee on Finance

ADOPTED 04/26/2013

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that it is
4 important to recognize the service of active duty military and veterans
5 and to acknowledge the continued sacrifice of those veterans who have
6 been catastrophically injured. The legislature further finds that many
7 disabled veterans often need customized, accessible transportation to
8 be self-sufficient and to maintain a high quality of life. The
9 legislature further finds that individuals with a severe disability are
10 three times more likely to be at or below the national poverty level.
11 The legislature further finds that the federal government pays for the
12 cost of mobility adaptive equipment for severely injured veterans;
13 however, it does not cover the cost of sales or use tax owed on this
14 equipment. The legislature further finds that this cost is then
15 shifted onto the veterans, who often times cannot afford the tax due to
16 the substantial amount of adaptive equipment required in such
17 customized vehicles. The legislature further finds that this added
18 financial burden has the unintended effect of causing some veterans to
19 acquire their mobility adaptive equipment in neighboring states that do
20 not impose a sales tax, thereby negatively impacting Washington
21 businesses providing mobility enhancing equipment and services to
22 Washington veterans.

23 (2) It is the legislature's intent to provide specific financial
24 relief for severely injured veterans and to ameliorate a negative
25 consequence of Washington's tax structure by providing a sales and use
26 tax exemption for mobility adaptive equipment required to customize
27 vehicles for disabled veterans. It is the further intent of the
28 legislature to reexamine this exemption in five years to determine
29 whether it has mitigated the competitive disadvantage stemming from

1 Washington's tax structure on mobility businesses and to assess whether
2 the cost of the exemption in terms of forgone state revenue is beyond
3 what was reasonably assumed in the fiscal estimate for the legislation.

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

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

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

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

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

21 (c) Report their total gross sales on their return and deduct the
22 exempt sales under subsection (1) of this section from their reported
23 gross sales.

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

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

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

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

7 (4) This section expires July 1, 2018.

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

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

18 (2) For purposes of this section, "prescribed add-on automotive
19 adaptive equipment" has the same meaning as provided in section 1 of
20 this act.

21 (3) This section expires July 1, 2018.

22 NEW SECTION. **Sec. 4.** This act takes effect August 1, 2013."

23 Correct the title.

EFFECT: Includes the legislative intent for the sales and use tax
exemption and an expiration date. Requires sellers of automotive
adaptive equipment to file tax returns electronically and makes
technical changes in reference to what federal agency makes
reimbursements for the equipment.

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