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**HOUSE BILL 2237**

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**State of Washington 65th Legislature 2017 3rd Special Session**

**By** Representatives Young, Reeves, Orcutt, Kilduff, Irwin, J. Walsh, and Condotta

AN ACT Relating to providing tax relief to motorists by exempting certain mobile communications technology from retail sales and use tax; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating a new section; providing expiration dates; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) The legislature finds that public safety will be improved if hands-free wireless communications devices are widely adopted for use in motor vehicles to replace technology that requires drivers to move their hands from the steering wheel and/or their eyes from the roadway to send or receive messages. The legislature has recently changed the penalties for texting while driving, and redefined the behavior that will subject motorists to penalties. The legislature finds that the legislature can help reduce the cost of communications technology that can be operated hands-free in motor vehicles, and thereby encourage compliance with the new law, by eliminating the sales tax on these items. The legislature's objective is to do everything in its power to make the transition to compliance with the law affordable for all persons irrespective of income.

(2)(a) This subsection is the tax preference performance statement for the sales and use tax exemptions for mobile communications devices provided in sections 2 and 3, chapter . . ., Laws of 2017 3rd sp. sess. (sections 2 and 3 of this act). The 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 to preferential tax treatment.

(b) The legislature categorizes these tax preferences as ones intended to induce certain designated behavior by taxpayers, namely purchase of hands-free wireless communications devices or vehicles equipped with such technology, as indicated in RCW 82.32.808(2)(a).

(c) It is the legislature's specific public policy objective to authorize a limited-duration sales and use tax exemption for hands-free wireless communications devices to decrease the cost of that technology, resulting in greater compliance with the laws regarding texting while driving.

(d) The legislature intends that these exemptions are not subject to a tax preference performance review by the joint legislative audit and review committee under RCW 82.32.808 because the legislature does not intend to extend the time period for the exemptions beyond the expiration dates provided in this act.

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

(1) The tax levied by RCW 82.08.020 does not apply to any sale of hands-free wireless communications devices, whether sold as original equipment by the manufacturer of an automobile or as an aftermarket product or service.

(2) For purposes of this section, "hands-free wireless communications device" means a device specifically designed and configured to allow voice-operated and hands-free operation."

(3) This section expires December 31, 2017.

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

(1) The provisions of this chapter do not apply in respect to the use of a hands-free wireless communications device, whether sold as original equipment by the manufacturer of an automobile or as an aftermarket product or service.

(2) For purposes of this section, "hands-free wireless communications device" has the same meaning as provided in section 2 of this act.

(3) This section expires December 31, 2017.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**