
SENATE BILL 6685

State of Washington

58th Legislature

2004 Regular Session

By Senators Murray and Kline

Read first time 01/29/2004. Referred to Committee on Natural Resources, Energy & Water.

1 AN ACT Relating to providing incentives to reduce air pollution and
2 improve energy security through the use of alternative fuel vehicles;
3 adding new sections to chapter 82.04 RCW; adding new sections to
4 chapter 82.08 RCW; adding new sections to chapter 82.12 RCW; providing
5 an effective date; providing an expiration date; and declaring an
6 emergency.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
9 to read as follows:

10 (1) Persons who are taxable under this chapter may take a credit
11 for the purchase, or the lease for a period of at least three years, of
12 new alternative fuel vehicles, if the vehicles are exclusively used in
13 business operations. The credit is based upon the following schedule:

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VEHICLE TONNAGE	CREDIT
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1	Less than 10,000 pounds	30 percent of the cost or
2	gross vehicle weight	\$5,000, whichever is
3		less
4	10,000 pounds or more	30 percent of the cost or
5	gross vehicle weight	\$25,000, whichever is
6		less

7 (2) For the purposes of this section, "alternative fuel vehicles"
8 means a motor vehicle, as defined in RCW 46.04.320, originally designed
9 and equipped by the manufacturer to operate: (a) Exclusively on
10 natural gas, hydrogen, or electricity; or (b) as a fuel cell vehicle.
11 For purposes of this subsection, "fuel cell vehicle" is defined as a
12 vehicle that operates on an electric motor drawing current from
13 combining hydrogen and oxygen in an electrochemical process.

14 (3) The credit may not exceed the amount of tax that would
15 otherwise be due under this chapter. The credit may be accrued and
16 carried over until it is used. Refunds shall not be granted in place
17 of credits. The maximum amount of credit under this section that may
18 be claimed, by each person, for any calendar year shall not exceed five
19 hundred thousand dollars.

20 (4) Tax credit may not be claimed for expenditures that occurred
21 before the effective date of this section or expenditures that occur
22 after January 1, 2015.

23 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
24 to read as follows:

25 (1) Persons who are taxable under this chapter may take a credit
26 for the costs expended for acquiring and installing alternative fuel
27 and electric vehicle recharging equipment, including alternative fuel
28 storage tanks. For purposes of this subsection, "alternative fuel"
29 means natural gas, and hydrogen. The credit is based upon the
30 following schedule:

31 (a) Fifty percent of the costs incurred at facilities open to the
32 public not to exceed five hundred thousand dollars; and

33 (b) Twenty-five percent of the costs incurred at facilities not
34 open to the public not to exceed two hundred fifty thousand dollars.

35 (2) The credit may not exceed the amount of tax that would
36 otherwise be due under this chapter. The credit may be accrued and
37 carried over until it is used. Refunds shall not be granted in place

1 of credits. The maximum amount of credit under this section that may
2 be claimed, by each person, for any calendar year shall not exceed two
3 million dollars.

4 (3) Tax credit may not be claimed for expenditures that occurred
5 before the effective date of this section or expenditures that occur
6 after January 1, 2015.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.08 RCW
8 to read as follows:

9 (1) The tax levied by RCW 82.08.020 does not apply to sales of
10 machinery and equipment, or to services rendered in respect to
11 constructing structures, installing, constructing, repairing,
12 decorating, altering, or improving of structures or machinery and
13 equipment, or to sales of tangible personal property that becomes an
14 ingredient or component of structures or machinery and equipment, if
15 the machinery, equipment, or structure is used directly for the retail
16 sale of natural gas, hydrogen, or a blend of natural gas and hydrogen
17 for use in a motor vehicle or is used for the recharging of an electric
18 vehicle.

19 (2) A person taking the exemption under this section must keep
20 records necessary for the department to verify eligibility under this
21 section. The exemption is available only when the buyer provides the
22 seller with an exemption certificate in the form and manner prescribed
23 by the department. The seller shall retain a copy of the certificate
24 for the seller's files.

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.12 RCW
26 to read as follows:

27 The provisions of this chapter do not apply in respect to the use
28 of machinery and equipment, or to services rendered in respect to
29 installing, repairing, altering, or improving of eligible machinery and
30 equipment, or tangible personal property that becomes an ingredient or
31 component of machinery and equipment used directly for the retail sale
32 of natural gas, hydrogen, or a blend of natural gas and hydrogen for
33 use in a motor vehicle or used for the recharging of an electric
34 vehicle.

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

3 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
4 alternative fuel vehicles.

5 (2) For the purposes of this section and section 6 of this act,
6 "alternative fuel vehicles" means a motor vehicle, as defined in RCW
7 46.04.320, originally designed and equipped by the manufacturer to
8 operate: (a) Exclusively on natural gas, hydrogen, or electricity; or
9 (b) as a fuel cell vehicle. For purposes of this subsection, "fuel
10 cell vehicle" is defined as a vehicle that operates on an electric
11 motor drawing current from combining hydrogen and oxygen in an
12 electrochemical process.

13 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.12 RCW
14 to read as follows:

15 The provisions of this chapter do not apply in respect to the use
16 of alternative fuel vehicles, as defined under section 5 of this act.

17 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act expire
18 January 1, 2015.

19 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and takes effect
22 July 1, 2004.

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