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HOUSE BILL 2768

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State of Washington

59th Legislature

2006 Regular Session

By Representatives Ericksen, Nixon, Rodne, Anderson, Dunn, Woods and Holmquist

Read first time 01/12/2006. Referred to Committee on Finance.

1 AN ACT Relating to tax incentives for motor vehicle purchases to  
2 reduce air pollution; adding a new section to chapter 82.08 RCW; adding  
3 a new section to chapter 82.12 RCW; creating a new section; providing  
4 an effective date; and providing an expiration date.

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

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

8 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
9 passenger vehicles if the purchaser trades in a passenger vehicle that  
10 is more than fifteen years old and the vehicle to be traded in is not  
11 compliant with United States environmental protection agency tier II  
12 emission standards. The exemption is only for the first two thousand  
13 dollars of tax paid on the purchase price.

14 (2) For the purposes of this section, "passenger vehicle" has the  
15 same meaning as "passenger car" provided in RCW 46.04.382.

16 (3) The exemption is available only if the passenger vehicle to be  
17 traded in has been licensed and registered for the twenty-four-month  
18 period immediately preceding the sale and is in satisfactory operating  
19 condition.

1 (4) Any trade-in property acquired from a person claiming the  
2 exemption in this section must be destroyed.

3 (5) The total amount that may be taken by all purchasers as an  
4 exemption under this section and section 2 of this act is twenty-five  
5 million dollars per year. If the department determines that at least  
6 twenty-two million dollars has been taken as an exemption under this  
7 section and section 2 of this act, the department shall notify motor  
8 vehicle dealers, in a writing sent by certified mail, that requires  
9 dealers not to provide the exemption to motor vehicle purchasers  
10 beginning two weeks from the date the letter is postmarked.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12 RCW  
12 to read as follows:

13 (1) The provisions of this chapter do not apply with respect to the  
14 use of passenger vehicles if the purchaser trades in a passenger  
15 vehicle to a motor vehicle dealer that is more than fifteen years old  
16 and the vehicle to be traded in is not compliant with United States  
17 environmental protection agency tier II emission standards. The  
18 exemption is only for the first two thousand dollars of tax paid on the  
19 purchase price.

20 (2) "Passenger vehicle" has the same meaning as provided in section  
21 1 of this act.

22 (3) The exemption is available only if the passenger vehicle to be  
23 traded in has been licensed and registered for the twenty-four-month  
24 period immediately preceding the sale and is in satisfactory operating  
25 condition.

26 (4) Any trade-in property acquired from a person claiming the  
27 exemption in this section must be destroyed.

28 NEW SECTION. **Sec. 3.** This act shall be known and cited as the  
29 Clean Air and Automobile Incentive Program.

30 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2006.

31 NEW SECTION. **Sec. 5.** This act expires July 1, 2008.

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