
SENATE BILL 6562

State of Washington

63rd Legislature

2014 Regular Session

By Senator Holmquist Newbry

Read first time 02/11/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to clarifying the application of tax exemptions for
2 vehicles powered by clean alternative fuels; amending RCW 82.08.809 and
3 82.12.809; creating a new section; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the adoption
6 of electric vehicles is negatively impacted by range anxiety, the fear
7 that an alternatively powered vehicle has insufficient power to reach
8 its destination. The legislature further finds range extenders,
9 auxiliary power units used to regenerate the alternative fuel source,
10 reduce range anxiety concerns. The legislature further finds, under
11 current law, Washington provides a retail sales and use tax exemption
12 on the purchase of new and qualifying used alternative fuel vehicles to
13 incentivize consumers to purchase alternative fuel vehicles. The
14 legislature further finds that range extended battery electric vehicles
15 produce fewer emissions than similar models of conventional fuel
16 vehicles, similarly to vehicles that currently qualify for the
17 alternative fuel vehicle sales and use tax exemption. The legislature
18 further finds range extended battery electric vehicles may accelerate

1 the adoption of alternative fuel vehicles and should qualify for the
2 alternative sales and use tax exemption.

3 (2)(a) This subsection is the tax preference performance statement
4 for the alternative fuel vehicle tax exemption provided in RCW
5 82.08.809 and 82.12.809. The performance statement is only intended to
6 be used for subsequent evaluation of the tax preference. It is not
7 intended to create a private right of action by any party or be used to
8 determine eligibility to preferential tax treatment.

9 (b) The legislature categorizes this tax preference as one intended
10 to induce certain designated behavior by taxpayers, as indicated in RCW
11 82.32.808(2)(a).

12 (c) It is the legislature's specific public policy objective to
13 extend the alternative fuel sales and use tax exemption to range
14 extended battery electric vehicles for the duration of the tax
15 exemption program, which expires July 1, 2015.

16 (d) To measure the effectiveness of the exemption provided in this
17 act in achieving the specific public policy objective described in (c)
18 of this subsection, the joint legislative audit and review committee
19 must, at minimum, evaluate the following:

20 (i) The number of range extended battery electric vehicles, by
21 model, purchased from the effective date of this act to the expiration
22 date of this act; and

23 (ii) A comparison of the number of range extended battery electric
24 vehicles, by model, sold during the first year of availability to the
25 number of electric vehicles without range extenders, by model, sold
26 during their first year of availability.

27 (e)(i) The department of licensing must provide data needed for the
28 joint legislative audit and review committee analysis in (d) of this
29 subsection.

30 (ii) In addition to the data source described under (e)(i) of this
31 subsection, the joint legislative audit and review committee may use
32 any other data it deems necessary in performing the evaluation under
33 (d) of this subsection.

34 **Sec. 2.** RCW 82.08.809 and 2010 1st sp.s. c 11 s 2 are each amended
35 to read as follows:

36 (1)(a) The tax levied by RCW 82.08.020 does not apply to sales of

1 new passenger cars, light duty trucks, and medium duty passenger
2 vehicles, which are exclusively powered by a clean alternative fuel or
3 a range extended battery electric vehicle.

4 (b) The tax levied by RCW 82.08.020 does not apply to sales of
5 qualifying used passenger cars, light duty trucks, and medium duty
6 passenger vehicles, which were modified after their initial purchase,
7 with an EPA certified conversion to be exclusively powered by a clean
8 alternative fuel. "Qualifying used passenger cars, light duty trucks,
9 and medium duty passenger vehicles" means vehicles that:

10 (i) Are part of a fleet of at least five vehicles, all owned by the
11 same person;

12 (ii) Have an odometer reading of less than thirty thousand miles;

13 (iii) Are less than two years past their original date of
14 manufacture; and

15 (iv) Are being sold for the first time after modification.

16 (2) The seller must keep records necessary for the department to
17 verify eligibility under this section.

18 (3) (~~As used in this section,~~) The definitions in this subsection
19 apply throughout this section unless the context clearly requires
20 otherwise.

21 (a) "Clean alternative fuel" means natural gas, propane, hydrogen,
22 or electricity, when used as a fuel in a motor vehicle that meets the
23 California motor vehicle emission standards in Title 13 of the
24 California code of regulations, effective January 1, 2005, and the
25 rules of the Washington state department of ecology.

26 (b) "Range extended battery electric vehicle" means a vehicle
27 powered predominantly by a zero emission energy storage device, able to
28 drive for more than seventy-five all-electric miles, equipped with a
29 backup auxiliary power unit, which does not operate until the energy
30 storage device is fully depleted, and that meets standards in Title 13
31 of the California Code of Regulations, effective January 1, 2012.

32 (4) This section expires July 1, 2015.

33 **Sec. 3.** RCW 82.12.809 and 2010 1st sp.s. c 11 s 3 are each amended
34 to read as follows:

35 (1)(a) Until July 1, 2015, the provisions of this chapter do not
36 apply in respect to the use of new passenger cars, light duty trucks,

1 and medium duty passenger vehicles, which are exclusively powered by a
2 clean alternative fuel or a range extended battery electric vehicle.

3 (b) Until July 1, 2015, the provisions of this chapter do not apply
4 to the use of qualifying used passenger cars, light duty trucks, and
5 medium duty passenger vehicles, which were modified after their initial
6 purchase with an EPA certified conversion to be exclusively powered by
7 a clean alternative fuel. As used in this subsection, "qualifying used
8 passenger cars, light duty trucks, and medium duty passenger vehicles"
9 has the same meaning as provided in RCW 82.08.809.

10 (2) "Clean alternative fuel" (~~has~~) and "range extended battery
11 electric vehicle" have the same meaning as provided in RCW 82.08.809.

12 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020
13 on the use, on or after July 1, 2015, of a passenger car, light duty
14 truck, or medium duty passenger vehicle exclusively powered by a clean
15 alternative fuel, if the taxpayer used such vehicle in this state
16 before July 1, 2015, and the use was exempt under this section from the
17 tax imposed in RCW 82.12.020.

18 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 immediately.

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