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**SUBSTITUTE SENATE BILL 5543**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Senate Environment, Energy & Technology (originally sponsored by Senators Carlyle, Das, Hunt, Liias, Lovelett, Lovick, Mullet, Nguyen, Pedersen, Randall, Rolfes, Stanford, C. Wilson, and J. Wilson)

AN ACT Relating to a zero-emission landscaping equipment incentive; adding a new section to chapter 82.04 RCW; creating new sections; providing an expiration date; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) The legislature finds that gasoline-powered and diesel-powered landscape equipment emit a host of air pollutants, including nitrogen oxides, particulate matter, carbon dioxide, and other pollutants, contributing to the global climate crisis and negatively impacting public health. According to the United States environmental protection agency, gas-powered mowers contribute five percent of United States air pollution and estimates indicate more than 17,000,000 gallons of fuel, mostly gasoline, is spilled each year while refueling lawn equipment. Nationally, the department of transportation data shows that in 2018, Americans used nearly 3,000,000,000 gallons of gasoline running lawn and garden equipment, equivalent to the annual energy use of more than 3,000,000 homes. One hour of running a gas lawnmower can contribute as much smog-forming pollution as driving a passenger car 300 miles, and one hour of running a gas leaf blower can contribute as much smog-forming pollution as driving a passenger car 1,100 miles.

(2) The legislature further finds that the small gas engines used in lawn and garden equipment are not only bad for the environment and contributing to climate change, but they can also cause asthma, hearing loss, and other health issues for workers who use them. Going electric can generate health benefits and protect those who have to hear, handle, and inhale gas engines for hours on end. Additionally, the noise from gas-powered equipment can be a nuisance, with many communities enacting restrictions on the use of commercial lawn equipment. Residents value the quiet of electric equipment, especially during a time when many are working from home.

(3) The legislature further finds that the technology and consumer markets are ready for the transition to cleaner, all-electric lawn and garden equipment. In some instances, electric and battery-operated equipment are just as powerful as gas, and more efficient. The market share of battery-powered lawn equipment is growing at a rate three times faster than gas, and already, many homeowners, businesses, cities, and universities have converted to all-electric landscaping equipment. It is estimated that the volume of electric-powered lawn equipment that North American manufacturers shipped jumped from about 9,000,000 units in 2015 to over 16,000,000 in 2020, an increase of more than 75 percent in only five years, and during that time, electric equipment went from roughly 32 percent to 44 percent of the overall lawn equipment market. Some manufacturers even have plans to cease the production of gas-powered equipment.

(4) Therefore, the legislature intends to establish a zero-emission landscaping equipment incentive to accelerate the phase out of super-polluting gas-powered equipment by assisting residents and businesses in transitioning to cleaner alternatives.

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

(1) In computing the tax imposed under this chapter, a credit is allowed for sales of discounted new all-electric lawn equipment, as provided in this section.

(2) The credit authorized under this section is equal to the total amount of any qualifying discounts applied to the sale of new all-electric lawn equipment sold during the tax reporting period, not to exceed $50,000.

(3)(a) Credit under this section is earned, and claimed against taxes due under this chapter, for the tax reporting period in which the sale of new all-electric lawn equipment was made.

(b) The credit must not exceed the tax otherwise due under this chapter for the tax reporting period.

(c) Unused credit may be carried over and used in subsequent tax reporting periods, except that no credit may be claimed more than 12 months from the end of the tax reporting period in which the credit was earned.

(d) No refunds may be granted for credits under this section.

(4)(a) The total amount of credits authorized under this section may not exceed an annual statewide limit of $2,000,000.

(b) Credits must be authorized on a first-in-time basis.

(c) The department must publish on a quarterly basis credits authorized to date for each reporting year.

(5) The department may require persons claiming a credit under this section to provide appropriate documentation, in a manner as determined by the department, for the purposes of determining eligibility under this section including, but not limited to, any receipts from sales of qualifying discounted new all-electric lawn equipment, the purchase price of the equipment, the discount amount applied to the sale, and identifying information of the equipment purchaser, such as the name, address, and phone number.

(6)(a) A credit under this section may be claimed for no more than one sale of a single discounted item of new all-electric lawn equipment per purchaser each tax reporting period.

(b) If the department finds that a person claiming a credit under this section has claimed a credit for the sale of more than one item of lawn equipment by an individual purchaser, then the person claiming the credit under this section is liable for any tax amount otherwise due, plus interest. Interest must be assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW and accrue until the taxes for which a credit has been used are repaid.

(7) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Lawn equipment" includes edgers, trimmers, chainsaws, and pole saws; leaf blowers and vacuums; walk-behind mowers; ride-on or stand-ride mowers; and additional batteries and chargers.

(b) "Qualifying discount" means any discount on the sale of new all-electric lawn equipment, as long as the discount amount does not exceed:

(i) $100 for any equipment with a purchase price of up to $300; and

(ii) $200 for any equipment with a purchase price over $300.

(8) Credits allowed under this section may be earned for tax reporting periods through December 31, 2023, and until such time as the maximum total credit amount under subsection (2) of this section is reached. No credits may be claimed after December 31, 2024.

(9) The credit established under this section is exempt from the provisions of RCW 82.32.808.

(10) This section expires January 1, 2025.

NEW SECTION. **Sec.**  Section 2 of this act may be known and cited as the cash for lawn clunkers act.

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.

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