

SENATE BILL REPORT

2SHB 1918

As of March 7, 2022

Title: An act relating to reducing emissions from outdoor power equipment.

Brief Description: Reducing emissions from outdoor power equipment.

Sponsors: House Committee on Finance (originally sponsored by Representatives Macri, Valdez, Berry, Ryu, Simmons, Peterson, Goodman, Ramel, Kloba, Bateman, Harris-Talley and Pollet).

Brief History: Passed House: 3/4/22, 81-15.

Committee Activity: Ways & Means: 3/07/22.

Brief Summary of Bill

- Exempts small engine zero-emission outdoor power equipment from state and local sales and use taxes through January 1, 2033.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Alia Kennedy (786-7405)

Background: Retail Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent. Local sales and use tax rates vary depending on the location.

Tax Preferences. State law provides for a range of tax preferences that confer reduced tax liability upon a designated class of taxpayer. Tax preferences include tax exclusions, deductions, exemptions, preferential tax rates, deferrals, and credits. Washington has over

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700 tax preferences, including a variety of sales and use tax exemptions. Legislation that establishes or expands a tax preference must include a tax preference performance statement that identifies the public policy objective of the preference, as well as specific metrics the Joint Legislative Audit and Review Committee can use to evaluate the effectiveness of the preference. All new tax preferences automatically expire after ten years unless an alternative expiration date is provided.

Summary of Bill: Beginning January 1, 2023, sales and use tax does not apply to the sale of zero emission outdoor power equipment.

Zero emission outdoor power equipment is any outdoor power equipment powered by a source that does not produce exhaust gas other than water, and that is powered by an engine that produces a gross horsepower of less than 25 horsepower at or below 19 kilowatts or is designed to produce less than 25 horsepower. Zero emission outdoor power equipment includes equipment powered by batteries, battery packs, fuel cells, or electricity through an electric power cord, as well as lawnmowers powered solely by human effort.

Outdoor power equipment means vegetation cutting equipment, leaf blowers, leaf shredders, leaf vacuums, soil tillers, soil cultivators, augers, mulchers, edgers, wood chippers, stump grinders, pressure washers, snow blowers, tampers, compactors, and other equipment designed or marketed for use in an outdoor setting in the management of vegetation, landscaped outdoor spaces, or built spaces.

Sellers are encouraged to notify customers of the sales and use tax exemption for zero-emission outdoor power equipment.

The exemption expires January 1, 2033, and is subject to tax preference performance requirements.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.