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**SUBSTITUTE HOUSE BILL 1330**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** House Finance (originally sponsored by Representatives Shewmake, Ramel, Berry, Fitzgibbon, Duerr, Lovick, Rule, Lekanoff, Callan, Pollet, Macri, and Slatter)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to providing a retail sales and use tax exemption  
2 for the purchase of electric bicycles and related cycling equipment;  
3 adding a new section to chapter 82.08 RCW; adding a new section to  
4 chapter 82.12 RCW; creating new sections; and providing contingent  
5 expiration dates.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that encouraging  
8 citizens to own and use electric bicycles for commuting can replace  
9 light duty passenger vehicles and thus reduce congestion, local air  
10 pollution, and global carbon pollution while enhancing citizens'  
11 health and saving commuters money. The legislature recognizes that  
12 people with lower incomes have fewer financial resources for  
13 purchasing these types of vehicles, which can help them commute to  
14 work and school with reduced financial burdens. It is therefore the  
15 intent of this legislation to increase electric bicycle sales by  
16 providing an exemption from the state sales tax on new qualifying  
17 vehicle purchases.

18 NEW SECTION. **Sec. 2.** (1) This section is the tax preference  
19 performance statement for the tax preference contained in sections 3  
20 and 4, chapter . . . , Laws of 2021 (sections 3 and 4 of this act).

1 This performance statement is only intended to be used for subsequent  
2 evaluation of the tax preference. It is not intended to create a  
3 private right of action by any party or to be used to determine  
4 eligibility for preferential tax treatment.

5 (2) The legislature categorizes this tax preference as one  
6 intended to provide tax relief for certain individuals as indicated  
7 in RCW 82.32.808(2) (e).

8 (3) It is the legislature's specific public policy objective to  
9 encourage citizens to own and use electric bicycles by assisting in  
10 the purchasing of electric bicycles and related equipment.

11 (4) If a review finds that the number of electric bicycles  
12 purchased in Washington increases 25 percent as compared to the  
13 number of electric bicycles purchased in calendar year 2019, then the  
14 legislature intends to extend the expiration date of this tax  
15 preference.

16 (5) In order to obtain the data necessary to perform the review  
17 in subsection (4) of this section, the joint legislative audit and  
18 review committee may refer to any data collected by the state.

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

21 (1) Except as provided in subsection (2) of this section,  
22 beginning August 1, 2021, the tax levied by RCW 82.08.020 does not  
23 apply to the sale of new electric bicycles and up to \$200 in related  
24 cycling equipment. The exemption is available on a first-come basis  
25 until the exemption expires.

26 (2) The department must post a quarterly balance report on its  
27 website that includes an estimated expiration date for this section.  
28 If the remaining balance of exemptions available under this section  
29 is less than \$10,000, the department must publish a notification on  
30 its website.

31 (3) The seller must keep records necessary for the department to  
32 verify eligibility under this section.

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

35 (a) "Electric bicycle" has the same meaning as provided in RCW  
36 46.04.169.

37 (b) "Related cycling equipment" means cycling accessories  
38 commonly associated with bicycle ownership including, but not limited  
39 to, helmets, bicycle locks, fenders, lights, and a bicycle service or

1 repair plan, purchased as part of the same transaction as an electric  
2 bicycle.

3 (5) (a) This section expires on the earlier of:

4 (i) May 1, 2027; or

5 (ii) The first day of the first month after the month in which  
6 the department has determined that \$500,000 in total retail sales tax  
7 exemptions have been granted under this section.

8 (b) The department must provide written notice of the expiration  
9 date of this section to affected parties, the chief clerk of the  
10 house of representatives, the secretary of the senate, the office of  
11 the coder reviser, and others as deemed appropriate by the  
12 department.

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

15 (1) Effective August 1, 2021, the provisions of this chapter do  
16 not apply to the use of electric bicycles and related cycling  
17 equipment.

18 (2) (a) This section expires on the earlier of:

19 (i) May 1, 2027; or

20 (ii) The first day of the first month after the month in which  
21 the department has determined that \$500,000 in total retail sales and  
22 use tax exemptions have been granted under this act.

23 (b) The department must provide written notice of the expiration  
24 date of this section to affected parties, the chief clerk of the  
25 house of representatives, the secretary of the senate, the office of  
26 the coder reviser, and others as deemed appropriate by the  
27 department.

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