

SENATE BILL REPORT

SB 6268

As of January 27, 2014

Title: An act relating to extending the alternative fuel vehicle retail sales and use tax exemption.

Brief Description: Extending the alternative fuel vehicle retail sales and use tax exemption.

Sponsors: Senators Litzow, Chase and Benton.

Brief History:

Committee Activity: Ways & Means: 1/27/14.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: 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 of property, digital product, or service 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 from 0.5 percent to 3.1 percent, depending on the location.

In 2005 legislation was passed creating a sales and use tax exemption for new vehicles that operate exclusively on clean alternative fuels. Clean alternative fuel is defined as natural gas, propane, hydrogen, or electricity. The bill did not take effect until 2009 and had an expiration date of 2011. In 2010 the Legislature extended the exemption for vehicle using clean alternative fuel until January 1, 2015. Additionally, a provision was added that extended the exemption to a fleet of used vehicles that had been modified to run on clean alternative fuels.

Summary of Bill: The sales and use tax exemption for new cars that run exclusively on clean alternative fuels, and for a fleet of used cars that have been converted to run on clean alternative fuels, is extended until July 1, 2023.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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