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**SUBSTITUTE SENATE BILL 5333**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Mullet, Litzow, Hill, McCoy, Keiser, and Jayapal)

READ FIRST TIME 02/27/15.

1 AN ACT Relating to clean alternative fuel vehicles; amending RCW  
2 82.08.809 and 82.12.809; adding a new section to chapter 82.32 RCW;  
3 creating new sections; providing an effective date; providing an  
4 expiration date; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that clean  
7 alternative fuel vehicles will play a critical role in the  
8 transportation system of our state's future. The ability for a person  
9 to be assured that their vehicle can safely travel across the state  
10 is a key component in the continued development of a first-class  
11 transportation system. Electric vehicle charging infrastructure must  
12 be developed along critical transportation routes to provide citizens  
13 a safe and reliable method of travel that will not leave them  
14 stranded without adequate charging opportunities. Additionally, clean  
15 alternative fuel vehicles will play an important role in our state  
16 reaching air quality standards. The transportation sector is one of  
17 the largest air polluters in Washington and the expansion of the use  
18 of clean alternative fuel vehicles is a significant component in  
19 transitioning our vehicle fleets to a cleaner technology thereby  
20 reducing air pollution. Without an adequate electric vehicle charging  
21 infrastructure, it will be a difficult and slow transition. Our state

1 needs to invest in the development of this critical transportation  
2 infrastructure to bring the vehicle fleet into the twenty-first  
3 century.

4 NEW SECTION. **Sec. 2.** This section is the tax preference  
5 performance statement for the tax preference contained in sections 3  
6 and 4 of this act. The performance statement is only intended to be  
7 used for subsequent evaluation of the tax preference. It is not  
8 intended to create a private right of action by any party or be used  
9 to determine eligibility for preferential tax treatment.

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

13 (2) It is the legislature's specific public policy objective to  
14 increase the use of clean alternative fuel vehicles in Washington. It  
15 is the legislature's intent to extend the existing sales and use tax  
16 exemption on clean alternative fuel vehicles in order to reduce the  
17 price charged to customers for clean alternative fuel vehicles.

18 (3) If a review finds that the number of clean alternative fuel  
19 vehicles in Washington have increased by twenty percent compared to  
20 the number at the time of enactment, then the legislature intends to  
21 extend the expiration date of the tax preference.

22 (4) In order to obtain the data necessary to perform the review  
23 in subsection (3) of this section, the department of licensing must  
24 provide data needed for the joint legislative audit and review  
25 committee analysis. In addition to the data source described under  
26 this subsection, the joint legislative audit and review committee may  
27 use any other data it deems necessary.

28 **Sec. 3.** RCW 82.08.809 and 2010 1st sp.s. c 11 s 2 are each  
29 amended to read as follows:

30 (1)(a) The tax levied by RCW 82.08.020 does not apply to  
31 ~~((sales))~~ the first forty thousand dollars in selling price of new  
32 passenger cars, light duty trucks, and medium duty passenger  
33 vehicles, which are exclusively powered by a clean alternative fuel.

34 (b) The tax levied by RCW 82.08.020 does not apply to ~~((sales))~~  
35 the first forty thousand dollars in selling price of qualifying used  
36 passenger cars, light duty trucks, and medium duty passenger  
37 vehicles, which were modified after their initial purchase, with an  
38 EPA certified conversion to be exclusively powered by a clean

1 alternative fuel. "Qualifying used passenger cars, light duty trucks,  
2 and medium duty passenger vehicles" means vehicles that:

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

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

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

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

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

11 (3) As used in this section, "clean alternative fuel" means  
12 natural gas, propane, hydrogen, or electricity, when used as a fuel  
13 in a motor vehicle that meets the California motor vehicle emission  
14 standards in Title 13 of the California code of regulations,  
15 effective January 1, 2005, and the rules of the Washington state  
16 department of ecology.

17 (4) This section expires July 1, ((2015)) 2021.

18 **Sec. 4.** RCW 82.12.809 and 2010 1st sp.s. c 11 s 3 are each  
19 amended to read as follows:

20 (1)(a) Until July 1, ((2015)) 2021, the provisions of this  
21 chapter do not apply in respect to the first forty thousand dollars  
22 of value on the use of new passenger cars, light duty trucks, and  
23 medium duty passenger vehicles, which are exclusively powered by a  
24 clean alternative fuel.

25 (b) Until July 1, ((2015)) 2021, the provisions of this chapter  
26 do not apply to the first forty thousand dollars of value on the use  
27 of qualifying used passenger cars, light duty trucks, and medium duty  
28 passenger vehicles, which were modified after their initial purchase  
29 with an EPA certified conversion to be exclusively powered by a clean  
30 alternative fuel. As used in this subsection, "qualifying used  
31 passenger cars, light duty trucks, and medium duty passenger  
32 vehicles" has the same meaning as provided in RCW 82.08.809.

33 (2) "Clean alternative fuel" has the same meaning as provided in  
34 RCW 82.08.809.

35 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020  
36 on the first forty thousand dollars of value on the use, on or after  
37 July 1, ((2015)) 2021, of a passenger car, light duty truck, or  
38 medium duty passenger vehicle exclusively powered by a clean  
39 alternative fuel, if the taxpayer used such vehicle in this state

1 before July 1, ((2015)) 2021, and the use was exempt under this  
2 section from the tax imposed in RCW 82.12.020.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.32  
4 RCW to read as follows:

5 Each calendar quarter the department must determine the amount of  
6 the state sales tax collected from the sales of clean alternative  
7 vehicles powered by electricity. The month following each calendar  
8 quarter the department must notify the state treasurer of the amount  
9 of sales tax collected for the calendar quarter and the treasurer  
10 must transfer the amount from the general fund into the  
11 transportation innovative partnership account created in RCW  
12 47.29.230 to be used solely for improving Washington's publicly  
13 accessible electric vehicle charging infrastructure.

14 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
15 preservation of the public peace, health, or safety, or support of  
16 the state government and its existing public institutions, and takes  
17 effect July 1, 2015.

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