
SENATE BILL 6536

State of Washington 65th Legislature 2018 Regular Session

By Senators Fain, Braun, Sheldon, Wagoner, and Wilson

Read first time 01/23/18. Referred to Committee on Ways & Means.

1 AN ACT Relating to extending a sales and use tax exemption for
2 disabled veterans and members of the armed forces for certain
3 equipment and services that assist physically challenged persons to
4 safely operate a motor vehicle; amending RCW 82.08.875 and 82.12.875;
5 creating a new section; and providing expiration dates.

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

7 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
8 performance statement for the tax preferences contained in this act.
9 This performance statement is only intended to be used for subsequent
10 evaluation of the tax preferences. It is not intended to create a
11 private right of action by any party or be used to determine
12 eligibility for preferential tax treatment.

13 (2) The legislature categorizes these tax preferences as ones
14 intended to reduce structural inefficiencies in the tax structure and
15 provide tax relief for certain businesses or individuals, as
16 indicated in RCW 82.32.808(2) (d) and (e).

17 (3) It is the legislature's specific public policy objective to
18 provide financial relief for disabled veterans and members of the
19 armed forces for certain equipment and services that assist
20 physically challenged veterans and members of the armed forces to
21 safely operate a motor vehicle. It is the legislature's intent to

1 create a sales and use tax exemption for mobility adaptive equipment
2 required to customize vehicles for their safe operation by disabled
3 veterans and members of the armed forces in order to facilitate the
4 purchase and use of such equipment, thereby allowing these veterans
5 and members of the armed forces to be self-sufficient and to maintain
6 a high quality of life, thereby ameliorating a negative consequence
7 of Washington's tax structure.

8 (4) If a review finds that the sales and use tax exemption
9 created in this act for mobility adaptive equipment to customize
10 vehicles for disabled veterans provides financial relief for severely
11 injured veterans and service members, mitigates the competitive
12 disadvantage stemming from Washington's tax structure on mobility
13 businesses, and the cost of the exemption in terms of forgone state
14 revenue is not beyond what was reasonably assumed in the fiscal
15 estimate for the legislation, then the legislature intends to extend
16 the expiration date of these tax preferences.

17 (5) In order to obtain the data necessary to perform the review
18 in subsection (4) of this section, the joint legislative audit and
19 review committee may refer to any data from the department of revenue
20 or the United States department of veterans affairs, or any other
21 available data.

22 **Sec. 2.** RCW 82.08.875 and 2013 c 211 s 2 are each amended to
23 read as follows:

24 (1) The tax imposed by RCW 82.08.020 does not apply to sales to
25 eligible purchasers of prescribed add-on automotive adaptive
26 equipment, including charges incurred for labor and services rendered
27 in respect to the installation and repairing of such equipment. The
28 exemption provided in this section only applies if the eligible
29 purchaser is reimbursed in whole or part for the purchase by the
30 United States department of veterans affairs or other federal agency,
31 and the reimbursement is paid directly by that federal agency to the
32 seller.

33 (2) Sellers making tax-exempt sales under this section must:

34 (a) Obtain an exemption certificate from the eligible purchaser
35 in a form and manner prescribed by the department. The seller must
36 retain a copy of the exemption certificate for the seller's files. In
37 lieu of an exemption certificate, a seller may capture the relevant
38 data elements as allowed under the streamlined sales and use tax
39 agreement;

1 (b) File their tax return with the department electronically; and
2 (c) Report their total gross sales on their return and deduct the
3 exempt sales under subsection (1) of this section from their reported
4 gross sales.

5 (3) For purposes of this section, the following definitions apply
6 unless the context clearly requires otherwise:

7 (a) "Add-on automotive adaptive equipment" means equipment
8 installed in, and modifications made to, a motor vehicle that are
9 necessary to assist physically challenged persons to enter, exit, or
10 safely operate a motor vehicle. The term includes but is not limited
11 to wheelchair lifts, wheelchair restraints, ramps, under vehicle
12 lifts, power door openers, power seats, lowered floors, raised roofs,
13 raised doors, hand controls, left foot gas pedals, chest and shoulder
14 harnesses, parking brake extensions, dual battery systems, steering
15 devices, reduced and zero effort steering and braking,
16 voice-activated controls, and digital driving systems. The term does
17 not include motor vehicles and equipment installed in a motor vehicle
18 by the manufacturer of the motor vehicle.

19 (b) "Eligible purchaser" means a veteran, or member of the armed
20 forces serving on active duty, who is disabled, regardless of whether
21 the disability is service connected as that term is defined by
22 federal statute 38 U.S.C. Sec. 101, as amended, as of August 1, 2013.

23 (c) "Prescribed add-on automotive adaptive equipment" means
24 add-on automotive adaptive equipment prescribed by a physician.

25 (4) This section expires July 1, (~~2018~~) 2028.

26 **Sec. 3.** RCW 82.12.875 and 2013 c 211 s 3 are each amended to
27 read as follows:

28 (1) The tax imposed by RCW 82.12.020 does not apply to the use of
29 prescribed add-on automotive adaptive equipment or to labor and
30 services rendered in respect to the installation and repairing of
31 such equipment. The exemption under this section only applies if the
32 sale of the prescribed add-on automotive adaptive equipment or labor
33 and services was exempt from sales tax under RCW 82.08.875 or would
34 have been exempt from sales tax under RCW 82.08.875 if the equipment
35 or labor and services had been purchased in this state.

36 (2) For purposes of this section, "prescribed add-on automotive
37 adaptive equipment" has the same meaning as provided in RCW
38 82.08.875.

1 (3) This section expires July 1, (~~2018~~) 2028.

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