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HOUSE BILL 1525

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State of Washington

69th Legislature

2025 Regular Session

By Representatives Walen, Stearns, Parshley, Shavers, Pollet, Scott, and Waters

Read first time 01/23/25. Referred to Committee on Finance.

1 AN ACT Relating to providing a sales and use tax exemption for a  
2 motor vehicle sold to a tribe or tribal member; amending RCW  
3 82.08.0317; adding a new section to chapter 82.12 RCW; creating a new  
4 section; providing an effective date; and providing expiration dates.

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

6 **Sec. 1.** RCW 82.08.0317 and 2016 c 232 s 1 are each amended to  
7 read as follows:

8 (1)(a) State sales tax is not imposed on the sale of a motor  
9 vehicle(~~((: (i) If delivered to a tribe or tribal member in their  
10 Indian country, or (ii) if the sale is made to a tribe or tribal  
11 member in their Indian country))~~ if the sale is made to a tribe or  
12 tribal member. A tribal member is not required to reside in Indian  
13 country for the exemption under this section to apply. However, the  
14 tribal member must have tax exempt status as a member of the tribe  
15 (~~(upon whose Indian country delivery is made)~~)).

16 (b) In order to substantiate the tax exempt status of a tribal  
17 member, the seller must require presentation of one of the following:

18 (i) The buyer's tribal membership or citizenship card from a  
19 tribe;

20 (ii) The buyer's certificate of (~~(tribal)~~) enrollment with a  
21 tribe; or

1 (iii) A letter signed by (~~(a-tribal)~~) an official of a tribe  
2 confirming the buyer's tribal membership status.

3 (~~((c)(i) To establish delivery for purposes of this section, the~~  
4 ~~motor vehicle must be delivered to the tribe or tribal member in~~  
5 ~~their Indian country. The seller must document the delivery by~~  
6 ~~completing a declaration, which must be signed by the seller and the~~  
7 ~~buyer. The declaration must be limited to attestation regarding the~~  
8 ~~location of delivery and the enrollment status of the tribal member.~~  
9 ~~The department may develop a form for the declaration.~~

10 (~~(ii) No other proof of delivery may be accepted in place of or~~  
11 ~~required in addition to the requirements in (c)(i) of this~~  
12 ~~subsection.~~

13 (~~(2) If the sale is made to the tribe or tribal member in their~~  
14 ~~Indian country, the requirements in subsection (1)(c) of this section~~  
15 ~~do not apply.~~

16 (~~(3))~~ (2) The seller must retain copies of the documentation  
17 required under subsection (1) of this section for the period required  
18 in RCW 82.32.070.

19 (~~((4))~~) (3) Nothing in this section may be construed to affect,  
20 amend, or modify federal law or Washington state tax law as applied  
21 to a tribal member or tribe.

22 (~~((5))~~) (4) The definitions in this subsection apply throughout  
23 this section unless the context clearly requires otherwise.

24 (a) "Indian country" has the same meaning as provided in 18  
25 U.S.C. Sec. 1151.

26 (b) "Tribe" means a federally recognized tribe.

27 (c) "Tribal member" means an enrolled member of a federally  
28 recognized tribe.

29 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.12  
30 RCW to read as follows:

31 (1) The provisions of this chapter do not apply with respect to  
32 the use of a motor vehicle that is sold to a tribe or tribal member.

33 (2) All the eligibility requirements, conditions, limitations,  
34 and definitions in RCW 82.08.0317 apply to this section.

35 (3) This section expires January 1, 2037.

36 NEW SECTION. **Sec. 3.** (1) This section is the tax preference  
37 performance statement for the tax preferences contained in sections 1  
38 and 2, chapter . . ., Laws of 2025 (sections 1 and 2 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 these tax preferences as ones  
6 intended to provide tax relief for certain businesses or individuals,  
7 as indicated in RCW 82.32.808(2)(e).

8 (3) It is the legislature's specific public policy objective to  
9 promote the efficacy of the sales and use tax preference provided to  
10 tribal members when purchasing vehicles in Washington.

11 (4) If the review finds that annual sales of vehicles to tribal  
12 members has increased by at least 20 percent by 2034 over calendar  
13 year 2025, then the legislature intends to extend the expiration date  
14 of this tax preference.

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

18 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2026.

19 NEW SECTION. **Sec. 5.** Section 1 of this act expires January 1,  
20 2037.

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