

**RCW 82.12.9999 Exemptions—Vehicles using clean alternative fuels and electric vehicles. (Expires August 1, 2028.)**

(1) Beginning August 1, 2019, beginning with sales made or lease agreements signed on or after the qualification period start date:

- (a) The provisions of this chapter do not apply as provided in
- (b) of this subsection in respect to the use of new or used passenger cars, light duty trucks, and medium duty passenger vehicles that:
  - (i) Are exclusively powered by a clean alternative fuel; or
  - (ii) Use at least one method of propulsion that is capable of being reenergized by an external source of electricity and are capable of traveling at least 30 miles using only battery power; and
  - (iii) (A) Have a fair market value at the time use tax is imposed for purchased vehicles that:

- (I) For a vehicle that is a new vehicle at the time of the purchase date or the date the lease agreement was signed, does not exceed \$45,000; or

- (II) For a vehicle that is a used vehicle at the time of the purchase date or the date the lease agreement was signed, does not exceed \$30,000; or

- (B) Have a fair market value at the inception of the lease for leased vehicles that:

- (I) For a vehicle that is a new vehicle at the time of the purchase date or the date the lease agreement was signed, does not exceed \$45,000; or

- (II) For a vehicle that is a used vehicle at the time of the purchase date or the date the lease agreement was signed, does not exceed \$30,000;

- (b) (i) The exemption in this section is only applicable for up to the amounts specified in (b) (ii) or (iii) of this subsection of:

- (A) The total amount of the vehicle's purchase price, for sales made; or

- (B) The total lease payments made plus any additional purchase price of the leased vehicle if the original lessee purchases the leased vehicle before the qualification period end date, for lease agreements signed.

- (ii) Based on the purchase date or the date the lease agreement was signed of the vehicle if the vehicle is a new vehicle at the time of the purchase date or the date the lease agreement was signed:

- (A) From the qualification period start date until July 31, 2021, the maximum amount eligible under (b) (i) of this subsection is \$25,000;

- (B) From August 1, 2021, until July 31, 2023, the maximum amount eligible under (b) (i) of this subsection is \$20,000;

- (C) From August 1, 2023, until July 31, 2025, the maximum amount eligible under (b) (i) of this subsection is \$15,000.

- (iii) If the vehicle is a used vehicle at the time of the purchase date or the date the lease agreement was signed, the maximum amount eligible under (b) (i) of this subsection is \$16,000.

- (2) (a) The seller must keep records necessary for the department to verify eligibility under this section, except as provided in (b) of this subsection. A person claiming the exemption must also submit itemized information to the department for all vehicles for which an exemption is claimed that must include the following: Vehicle make; vehicle model; model year; whether the vehicle has been sold or leased; date of sale or start date of lease; length of lease; fair market value of the vehicle; and the total amount qualifying for the

incentive claimed for each vehicle, in addition to the future monthly amount to be claimed for each leased vehicle. This information must be provided in a form and manner prescribed by the department.

(b) (a) of this subsection applies only if the seller or person claiming the exemption is a vehicle dealer, as defined under RCW 46.70.011. When the seller is not a vehicle dealer, the department of licensing must establish a process for granting the tax exemption under this section for use tax otherwise collected at the time the ownership of a vehicle is transferred when the vehicle qualifies for the use tax exemption under subsection (1)(a) of this section, and must provide any information required under (a) of this subsection that it obtains as part of the vehicle titling and registration process for these vehicles to the department on at least a quarterly basis.

(3) (a) Vehicles purchased or leased vehicles for which the lease agreement was signed after the qualification period end date do not qualify for the exemption under this section.

(b) All leased vehicles that qualified for the exemption under this section before the qualification period end date must continue to receive the exemption as described under subsection (1)(b) of this section on any lease payments due through the remainder of the lease before August 1, 2028.

(4) The definitions in RCW 82.08.9999 apply to this section.

(5) This section is supported by the revenues generated in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is enacted by June 30, 2019.

(6) This section expires August 1, 2028. [2022 c 182 s 306; 2019 c 287 s 10.]

**Intent—Effective date—2022 c 182:** See notes following RCW 70A.65.240.

**Tax preference performance statement—2019 c 287 ss 8-14:** See note following RCW 82.04.4496.

**Findings—Intent—2019 c 287:** See note following RCW 28B.30.903.