
HOUSE BILL 1495

State of Washington

67th Legislature

2021 Regular Session

By Representative Chapman

1 AN ACT Relating to providing that qualified dealer cash
2 incentives paid to auto dealers are bona fide discounts for purposes
3 of the business and occupation tax; adding a new section to chapter
4 82.04 RCW; creating a new section; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04
7 RCW to read as follows:

8 (1) In computing tax under RCW 82.04.290(2), there may be
9 deducted from the measure of tax the amount of qualified dealer cash
10 incentives.

11 (2) The definitions in this subsection apply throughout this
12 section unless the context clearly requires otherwise.

13 (a) "Motor vehicle" has the same meaning provided in RCW
14 46.04.320.

15 (b) "Qualified dealer cash incentive" means a payment or credit
16 offered to a motor vehicle dealer as defined in RCW 46.70.011 by a
17 manufacturer of a motor vehicle where:

18 (i) The amount of the payment or credit is based on the quantity
19 of a specified type of motor vehicle to be sold at retail by the
20 seller, regardless of whether the seller is required to sell a
21 specified minimum number of vehicles;

1 (ii) The seller knew the terms of the offer before making the
2 retail sales that generated the payment or credit from the
3 manufacturer; and

4 (iii) The seller is not required to provide any services to the
5 manufacturer in order to receive the payment or credit from the
6 manufacturer. The documentation of the retail sale that generated the
7 payment or credit from the manufacturer is not a service provided to
8 the manufacturer.

9 NEW SECTION. **Sec. 2.** The provisions of RCW 82.32.805 and
10 82.32.808 do not apply to this act.

11 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2022.

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