
HOUSE BILL 1603

State of Washington

67th Legislature

2022 Regular Session

By Representatives Barkis, Stokesbary, Abbarno, Caldier, Eslick, Graham, Robertson, Corry, and Chase

Prefiled 12/07/21.

1 AN ACT Relating to shifting funding obligations from the
2 transportation appropriations act to the operating appropriations
3 act; amending RCW 46.68.135, 46.68.320, 46.68.325, 82.08.993,
4 82.08.9999, 82.12.817, 82.12.9999, 82.04.4496, and 82.16.0496; adding
5 a new section to chapter 43.79 RCW; creating new sections; and
6 providing an effective date.

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

8 **PART I**

9 **TRANSITION PROPOSAL**

10 NEW SECTION. **Sec. 101.** The legislature finds that many
11 transportation facilities provide a public good where user fares and
12 fees are insufficient to pay for the capital, maintenance, and
13 operating expenses of the facility, activity, service, or program.
14 The majority of revenue appropriated through the omnibus
15 transportation appropriations act for transportation facilities comes
16 from fees or taxes related to driving a vehicle. This is an
17 unsustainable model of funding in light of the trend to adopt laws
18 that are meant to reduce vehicle miles traveled, reduce the quantity
19 of emissions of greenhouse gases per distance traveled in the
20 transportation sector, and reduce the sale of fossil fuels on which

1 many taxes are imposed. In order to provide the caliber of
2 transportation facilities and social services that are being demanded
3 by society, use of general fund resources are the most equitable
4 funding option. It is unfair and unsustainable to make one mode of
5 travel pay for all other modes. The general fund, even during a
6 pandemic, is experiencing substantial revenue growth while the funds
7 associated with the transportation budget are stagnant or below
8 revenue expectations and actual programmatic needs. This act
9 designates programs and activities that in the future will receive
10 funding from the general fund.

11 NEW SECTION. **Sec. 102.** A new section is added to chapter 43.79
12 RCW to read as follows:

13 (1) (a) The legislature has created several transportation
14 programs in the omnibus transportation appropriations act over the
15 course of time that continue to this day. These include many
16 transportation grant programs that the legislature intends to
17 continue funding in the future. The connecting Washington
18 transportation plan enacted in 2015 provided intent to fund a number
19 of grants and projects as identified in LEAP Transportation Documents
20 2015 NL-1 and NL-2 that will continue to be funded, unless there was
21 a specific legal change in a subsequently adopted act.

22 (b) The legislature has also created several transportation-
23 related tax incentives, including tax incentives related to the
24 commute trip reduction program and the purchase of electric vehicles.
25 It is the intent of the legislature that beginning with the 2025-2027
26 fiscal biennium, these tax incentives will be funded by the omnibus
27 appropriations act from accounts and sources of funds other than
28 those appropriated in the omnibus transportation appropriations act.

29 (c) The legislature has also created several multimodal
30 transportation programs on a pilot basis that have expired or will
31 expire prior to the effective date of this section. Examples include
32 the student ORCA card pilot program first created in section 220(10),
33 chapter 313, Laws of 2017; the transit coordination grant program
34 created in section 4, chapter 11, Laws of 2015 3rd sp. sess.; and the
35 green transportation capital grant program in RCW 47.66.120. It is
36 the intent of the legislature that, if a legislature acts to reprise
37 or recreate any of these programs, beginning with the 2025-2027
38 fiscal biennium, the reprised or recreated program be funded by the
39 omnibus appropriations act from accounts and sources of funds other

1 than those appropriated in the omnibus transportation appropriations
2 act.

3 (2) Beginning July 1, 2025, appropriations for the following
4 programs shall be paid out of the general fund:

5 (a) Projects that correct barriers for fish to swim upstream on
6 public lands;

7 (b) Americans with disabilities act upgrades to transportation
8 facilities;

9 (c) New buildings primarily where state transportation employees
10 work;

11 (d) Mobility and public transit-related grants, social services,
12 and programs, such as, but not limited to, regional mobility grants,
13 rural mobility grants, vanpool grants, and any pilot or expired
14 grants that are to be continued;

15 (e) Programs related to transitioning transportation programs,
16 systems, facilities, or vehicles as designated as green or clean fuel
17 programs authorized in law, such as, but not limited to, green
18 transportation capital grants, the clean alternative fuel vehicle
19 charging and refueling infrastructure program, and the clean
20 alternative fuel car sharing program for underserved and low-income
21 communities;

22 (f) Programs that provide tax incentives for the purchase or
23 lease of vehicles with lithium-ion batteries or alternative fuel
24 vehicles, as well as for other equipment that supports vehicle
25 conversions to alternative fuels;

26 (g) Safe routes to schools grants;

27 (h) Bicycle and pedestrian pathways that are not an integrated
28 part of a highway project or are administered by any government
29 agency other than the department of transportation;

30 (i) Capital and operation costs for intercity passenger rail
31 service;

32 (j) Assistance funding for freight rail programs;

33 (k) Stormwater facility upgrades and maintenance of such
34 facilities near highways with high-density traffic near salmon-
35 bearing streams where untreated runoff containing 6 CPPD and 6 CPPD
36 quinone are killing significant amounts of salmon; and

37 (l) Any other programs as directed by law.

38 (3) Projects agreed to as part of the nickel, transportation
39 partnership, and connecting Washington transportation package will
40 remain funded within the transportation appropriations act. However,

1 in situations where revenues appropriated through the transportation
2 appropriations act are insufficient to pay for the obligations
3 associated with those projects, general funds may be provided to
4 ensure the completion of the projects.

5 NEW SECTION. **Sec. 103.** (1)(a) The chairs of the transportation
6 committees of the house of representatives and senate shall convene
7 an internal legislative work group to be known as the budgets
8 transition work group to implement the transition in section 102 of
9 this act. At the end of the process, the budgets transition work
10 group members and staff should have identified the provisions that
11 need to be modified in future budgets to successfully shift funding
12 in accordance with this act. The members of the work group include:

13 (i) The chairs and ranking members of the committees on
14 transportation, or a designated alternative member of each caucus;

15 (ii) The chairs and ranking member of the house of
16 representatives' appropriations committee, or a designated
17 alternative member of each caucus; and

18 (iii) The chair and ranking member of the senate ways and means
19 committee, or a designated alternative member of each caucus.

20 (b) The director of the office of financial management, or a
21 designated employee of the agency with knowledge of the legislative
22 appropriations acts, may be invited to serve in an advisory capacity.

23 (2) Staff support for the budgets transition work group shall be
24 provided by the senate committee services and the house of
25 representatives office of program research. The employees of the
26 office of financial management shall cooperate with the work group to
27 obtain information from state agencies as necessary to effectuate the
28 transition.

29 (3) Legislative members of the budgets transition work group
30 shall be reimbursed for travel expenses in accordance with RCW
31 44.04.120. Nonlegislative members, except those representing an
32 employer or organization, are entitled to be reimbursed for travel
33 expenses in accordance with RCW 43.03.050 and 43.03.060.

34 (4) The expenses of the budgets transition work group shall be
35 paid jointly by the senate and the house of representatives.

36 **PART II**

37 **STATUTORY ADJUSTMENTS TO CODIFIED SECTIONS AFFECTED BY THE TRANSITION**

1 **Sec. 201.** RCW 46.68.135 and 2006 c 337 s 4 are each amended to
2 read as follows:

3 By July 1, 2006, and each year thereafter, the state treasurer
4 shall transfer two and one-half million dollars from the (~~multimodal~~
5 ~~account~~) state general fund to the transportation infrastructure
6 account created under RCW 82.44.190. The funds must be distributed
7 for rail capital improvements only.

8 **Sec. 202.** RCW 46.68.320 and 2010 c 247 s 702 are each amended to
9 read as follows:

10 (1) The regional mobility grant program account is hereby created
11 in the state treasury. Moneys in the account may be spent only after
12 appropriation. Expenditures from the account may be used only for the
13 grants provided under RCW 47.66.030.

14 (2) Beginning with September 2007, by the last day of September,
15 December, March, and June of each year, the state treasurer shall
16 transfer from the (~~multimodal transportation account~~) state general
17 fund to the regional mobility grant program account five million
18 dollars.

19 (3) Beginning with September 2015, by the last day of September,
20 December, March, and June of each year, the state treasurer shall
21 transfer from the (~~multimodal transportation account~~) state general
22 fund to the regional mobility grant program account six million two
23 hundred fifty thousand dollars.

24 (~~(4) During the 2009-2011 fiscal biennium, the legislature may~~
25 ~~transfer from the regional mobility grant program account to the~~
26 ~~multimodal transportation account such amounts as reflect the excess~~
27 ~~fund balance of the regional mobility grant program account.))~~

28 **Sec. 203.** RCW 46.68.325 and 2021 c 333 s 708 are each amended to
29 read as follows:

30 (1) The rural mobility grant program account is created in the
31 state treasury. Moneys in the account may be spent only after
32 appropriation. Expenditures from the account may be used only for the
33 grants provided under RCW 47.66.100.

34 (2) Beginning September 2011, by the last day of September,
35 December, March, and June of each year, the state treasurer shall
36 transfer from the (~~multimodal transportation account~~) state general
37 fund to the rural mobility grant program account two million five
38 hundred thousand dollars.

1 (3) (~~During the 2015-2017 fiscal biennium, the legislature may~~
2 ~~transfer from the rural mobility grant program account to the~~
3 ~~multimodal transportation account such amounts as reflect the excess~~
4 ~~fund balance of the rural mobility grant program account.~~

5 (4)) During the ((~~2017-2019, 2019-2021, and~~) 2021-2023 fiscal
6 ((~~biennia~~)) biennium, the legislature may direct the state treasurer
7 to make transfers of moneys in the rural mobility grant program
8 account to the multimodal transportation account.

9 **Sec. 204.** RCW 82.08.993 and 2021 c 171 s 2 are each amended to
10 read as follows:

11 (1)(a) Subject to the limitations in this subsection, beginning
12 July 1, 2022, with sales made or lease agreements signed on or after
13 this date until the expiration of this section, fifty percent of the
14 tax levied by RCW 82.08.020 does not apply to sales or leases of new
15 electric passenger cars, light duty trucks, and medium duty passenger
16 vehicles, that are powered by a fuel cell.

17 (b)(i) By the end of the fifth working day of each month, until
18 the expiration of the exemption as described in (c) of this
19 subsection, the department must determine the cumulative number of
20 vehicles that have claimed the exemption as described in (a) of this
21 subsection.

22 (ii) The department of licensing must collect and provide, upon
23 request, information in a form or manner as required by the
24 department to determine the number of exemptions that have been
25 claimed.

26 (c) The exemption under this section expires after the last day
27 of the calendar month immediately following the month the department
28 determines that the total number of vehicles exempt under (a) of this
29 subsection reaches 650. All leased vehicles that qualified for the
30 exemption before the expiration of the exemption must continue to
31 receive the exemption as described under (a) of this subsection on
32 lease payments due through the remainder of the lease.

33 (d) The department must provide notification on its website
34 monthly on the amount of exemptions that have been applied for, the
35 amount issued, and the amount remaining before the limit described in
36 (c) of this subsection has been reached, and, once that limit has
37 been reached, the date the exemption expires pursuant to (c) of this
38 subsection.

1 (e) A person may not claim the exemption under this subsection if
2 the person claims the exemption under RCW 82.08.9999 or 82.12.9999.

3 (f) The per vehicle exemption must be based on the sales price
4 for purchased vehicles and fair market value at the inception of the
5 lease for leased vehicles.

6 (2)(a) Subject to the limitations in this subsection (2),
7 beginning July 1, 2022, with sales made or lease agreements signed on
8 or after this date until the expiration of this section, the entire
9 tax levied by RCW 82.08.020 does not apply to the sale or lease of
10 used electric passenger cars, light duty trucks, and medium duty
11 passenger vehicles, that are powered by a fuel cell.

12 (b) The per vehicle exemption must be based on the sales price
13 for purchased vehicles and fair market value at the inception of the
14 lease for leased vehicles. However, the maximum value amount eligible
15 for the exemption under (a) of this subsection is the lesser of
16 either sixteen thousand dollars or the fair market value of the
17 vehicle.

18 (c) A person may not claim the exemption under this subsection
19 (2) if the person claims the exemption under RCW 82.08.9999 or
20 82.12.9999.

21 (3)(a) For qualifying vehicles sold by a person licensed to do
22 business in the state of Washington, the seller must keep records
23 necessary for the department to verify eligibility under this
24 section. The seller reporting the exemption must also submit itemized
25 information to the department for all vehicles for which an exemption
26 is claimed that must include the following: Vehicle make; vehicle
27 model; model year; whether the vehicle has been sold or leased; date
28 of sale or start date of lease; length of lease; sales price for
29 purchased vehicles and fair market value at the inception of the
30 lease for leased vehicles; and the total amount qualifying for the
31 incentive claimed for each vehicle, in addition to the future monthly
32 amount to be claimed for each leased vehicle. This information must
33 be provided in a form and manner prescribed by the department.

34 (b) For vehicles purchased from (i) a seller that is not licensed
35 to do business in the state of Washington, or (ii) a private party,
36 the buyer must keep records necessary for the department to verify
37 eligibility under this section. The buyer claiming the exemption must
38 also submit itemized information to the department for all vehicles
39 for which an exemption is claimed that must include the following:
40 Vehicle make; vehicle model; model year; date of sale; sales price;

1 and the total amount qualifying for the incentive claimed for each
2 vehicle. This information must be provided in a form and manner
3 prescribed by the department.

4 (4) (a) The department of licensing must maintain and publish a
5 list of all vehicle models qualifying for the tax exemptions under
6 this section and RCW 82.12.817 until the expiration of this section,
7 and is authorized to issue final rulings on vehicle model
8 qualification for these criteria.

9 (b) The department of revenue retains responsibility for
10 determining whether a vehicle meets the applicable qualifying
11 criterion under subsections (1) and (2) of this section.

12 ~~((5) On the last day of July, October, January, and April of~~
13 ~~each year, the state treasurer, based upon information provided by~~
14 ~~the department, must transfer from the electric vehicle account to~~
15 ~~the general fund a sum equal to the dollar amount that would~~
16 ~~otherwise have been deposited into the general fund during the prior~~
17 ~~fiscal quarter but for the exemptions provided in this section.~~
18 ~~Information provided by the department to the state treasurer must be~~
19 ~~based on the best available data, except that the department may~~
20 ~~provide estimates of taxes exempted under this section until such~~
21 ~~time as retailers are able to report such exempted amounts on their~~
22 ~~tax returns.~~

23 ~~(6))~~ By the last day of August 2023, and annually thereafter
24 until this section expires, based on the best available data, the
25 department must report the following information to the
26 transportation committees of the legislature: The cumulative number
27 of fuel cell electric vehicles that qualified for the exemptions
28 under this section and RCW 82.12.817 by month of purchase or lease
29 start and vehicle make and model; the dollar amount of all state
30 retail sales and use taxes exempted on or after the qualification
31 period start date, under this section and RCW 82.12.817; and
32 estimates of the future costs of leased vehicles that qualified for
33 the exemptions under this section and RCW 82.12.817.

34 ~~((7))~~ (6) (a) Sales of vehicles delivered to the buyer after the
35 expiration of this section, or leased vehicles for which the lease
36 agreement was signed after the expiration of this section, do not
37 qualify for the exemptions under this section.

38 (b) All leased vehicles that qualified for the exemption under
39 this section before the expiration of this section must continue to

1 receive the exemption on any lease payments due through the remainder
2 of the lease.

3 ~~((+8))~~ (7) For the purposes of this section:

4 (a) "Fair market value" has the same meaning as "value of the
5 article used" in RCW 82.12.010.

6 (b) "Fuel cell" means a technology that uses an electrochemical
7 reaction to generate electric energy by combining atoms of hydrogen
8 and oxygen in the presence of a catalyst.

9 (c) "New vehicle" has the same meaning as "new motor vehicle" in
10 RCW 46.04.358.

11 (d) "Selling price" and "sales price" have the same meaning as in
12 RCW 82.08.010.

13 (e) "Used vehicle" has the same meaning as in RCW 46.04.660.

14 ~~((+9))~~ (8) This section expires June 30, 2029.

15 **Sec. 205.** RCW 82.08.9999 and 2021 c 145 s 13 are each amended to
16 read as follows:

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

19 (a) The tax levied by RCW 82.08.020 does not apply as provided in
20 (b) of this subsection to sales or leases of new or used passenger
21 cars, light duty trucks, and medium duty passenger vehicles that:

22 (i) Are exclusively powered by a clean alternative fuel; or

23 (ii) Use at least one method of propulsion that is capable of
24 being reenergized by an external source of electricity and are
25 capable of traveling at least thirty miles using only battery power;
26 and

27 (iii) (A) Have a vehicle selling price plus trade-in property of
28 like kind for purchased vehicles that:

29 (I) For a vehicle that is a new vehicle at the time of the
30 purchase date or the date the lease agreement was signed, does not
31 exceed forty-five thousand dollars; or

32 (II) For a vehicle that is a used vehicle at the time of the
33 purchase date or the date the lease agreement was signed, does not
34 exceed thirty thousand dollars; or

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

37 (I) For a vehicle that is a new vehicle at the time of the
38 purchase date or the date the lease agreement was signed, does not
39 exceed forty-five thousand dollars; or

1 (II) For a vehicle that is a used vehicle at the time of the
2 purchase date or the date the lease agreement was signed, does not
3 exceed thirty thousand dollars;

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

6 (A) The total amount of the vehicle's selling price, for sales
7 made; or

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

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

15 (A) From the qualification period start date until July 31, 2021,
16 the maximum amount eligible under (b)(i) of this subsection is
17 twenty-five thousand dollars;

18 (B) From August 1, 2021, until July 31, 2023, the maximum amount
19 eligible under (b)(i) of this subsection is twenty thousand dollars;

20 (C) From August 1, 2023, until July 31, 2025, the maximum amount
21 eligible under (b)(i) of this subsection is fifteen thousand dollars.

22 (iii) If the vehicle is a used vehicle at the time of the
23 purchase date or the date the lease agreement was signed, the maximum
24 amount eligible under (b)(i) of this subsection is sixteen thousand
25 dollars.

26 (2) The seller must keep records necessary for the department to
27 verify eligibility under this section. A person claiming the
28 exemption must also submit itemized information to the department for
29 all vehicles for which an exemption is claimed that must include the
30 following: Vehicle make; vehicle model; model year; whether the
31 vehicle has been sold or leased; date of sale or start date of lease;
32 length of lease; sales price for purchased vehicles and fair market
33 value at the inception of the lease for leased vehicles; and the
34 total amount qualifying for the incentive claimed for each vehicle,
35 in addition to the future monthly amount to be claimed for each
36 leased vehicle. This information must be provided in a form and
37 manner prescribed by the department.

38 (3)(a) The department of licensing must maintain and publish a
39 list of all vehicle models qualifying for the tax exemptions under
40 this section or RCW 82.12.9999 until the expiration date of this

1 section, and is authorized to issue final rulings on vehicle model
2 qualification for these criteria. A seller is not responsible for
3 repayment of the tax exemption under this section and RCW 82.12.9999
4 for a vehicle if the department of licensing's published list of
5 qualifying vehicle models on the purchase date or the date the lease
6 agreement was signed includes the vehicle model and the department of
7 licensing subsequently removes the vehicle model from the published
8 list, and, if applicable, the vehicle meets the qualifying criterion
9 under subsection (1)(a)(iii)(B) of this section and RCW
10 82.12.9999(1)(a)(iii)(B).

11 (b) The department of revenue retains responsibility for
12 determining whether a vehicle meets the applicable qualifying
13 criterion under subsection (1)(a)(iii)(B) of this section and RCW
14 82.12.9999(1)(a)(iii)(B).

15 ~~(4) ((On the last day of January, April, July, and October of~~
16 ~~each year, the state treasurer, based upon information provided by~~
17 ~~the department, must transfer from the electric vehicle account to~~
18 ~~the general fund a sum equal to the dollar amount that would~~
19 ~~otherwise have been deposited into the general fund during the prior~~
20 ~~calendar quarter but for the exemption provided in this section.~~
21 ~~Information provided by the department to the state treasurer must be~~
22 ~~based on the best available data, except that the department may~~
23 ~~provide estimates of taxes exempted under this section until such~~
24 ~~time as retailers are able to report such exempted amounts on their~~
25 ~~tax returns.~~

26 ~~(5))~~ By the last day of October 2019, and every six months
27 thereafter until this section expires, based on the best available
28 data, the department must report the following information to the
29 transportation committees of the legislature: The cumulative number
30 of vehicles that qualified for the exemption under this section and
31 RCW 82.12.9999 by month of purchase or lease start and vehicle make
32 and model; the dollar amount of all state retail sales and use taxes
33 exempted on or after the qualification period start date, under this
34 section and RCW 82.12.9999; and estimates of the future costs of
35 leased vehicles that qualified for the exemption under this section
36 and RCW 82.12.9999.

37 ~~((6))~~ (5) The definitions in this subsection apply throughout
38 this section unless the context clearly requires otherwise.

39 (a) "Clean alternative fuel" means natural gas, propane,
40 hydrogen, or electricity, when used as a fuel in a motor vehicle that

1 meets the California motor vehicle emission standards in Title 13 of
2 the California Code of Regulations, effective January 1, 2019, and
3 the rules of the Washington state department of ecology.

4 (b) "Fair market value" has the same meaning as "value of the
5 article used" in RCW 82.12.010.

6 (c) "New vehicle" has the same meaning as "new motor vehicle" in
7 RCW 46.04.358.

8 (d) "Qualification period end date" means August 1, 2025.

9 (e) "Qualification period start date" means August 1, 2019.

10 (f) "Used vehicle" has the same meaning as in RCW 46.04.660.

11 ~~((7))~~ (6)(a) Sales of vehicles delivered to the buyer or leased
12 vehicles for which the lease agreement was signed after the
13 qualification period end date do not qualify for the exemption under
14 this section.

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

20 ~~((8))~~ (7) This section expires August 1, 2028.

21 ~~((9))~~ (8) This section is supported by the revenues generated
22 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
23 enacted by June 30, 2019.

24 **Sec. 206.** RCW 82.12.817 and 2021 c 171 s 3 are each amended to
25 read as follows:

26 (1) Subject to the limitations in this subsection and RCW
27 82.08.993(1)(c), beginning July 1, 2022, with sales made or lease
28 agreements signed on or after this date until the expiration of this
29 section, fifty percent of the tax levied by RCW 82.12.020 does not
30 apply to sales or leases of new electric passenger cars, light duty
31 trucks, and medium duty passenger vehicles, that are powered by a
32 fuel cell.

33 (2)(a) Subject to the limitations in this subsection (2),
34 beginning July 1, 2022, with sales made or lease agreements signed on
35 or after this date until the expiration of this section, the entire
36 tax levied by RCW 82.12.020 does not apply to the sale or lease of
37 used electric passenger cars, light duty trucks, and medium duty
38 passenger vehicles, that are powered by a fuel cell.

1 (b) The per vehicle exemption must be based on the sales price
2 for purchased vehicles and fair market value at the inception of the
3 lease for leased vehicles. However, the maximum value amount eligible
4 for the exemption under (a) of this subsection is the lesser of
5 either sixteen thousand dollars or the fair market value of the
6 vehicle.

7 (c) A person may not claim the exemption under this subsection
8 (2) if the person claims the exemption under RCW 82.08.9999 or
9 82.12.9999.

10 (3) The buyer must keep records necessary for the department to
11 verify eligibility under this section. The buyer claiming the
12 exemption must also submit itemized information to the department for
13 all vehicles for which an exemption is claimed that must include the
14 following: Vehicle make; vehicle model; model year; whether the
15 vehicle has been sold or leased; date of sale or start date of lease;
16 length of lease; sales price for purchased vehicles and fair market
17 value at the inception of the lease for leased vehicles; and the
18 total amount qualifying for the incentive claimed for each vehicle,
19 in addition to the future monthly amount to be claimed for each
20 leased vehicle. This information must be provided in a form and
21 manner prescribed by the department.

22 ~~(4) ((On the last day of July, October, January, and April of~~
23 ~~each year, the state treasurer, based upon information provided by~~
24 ~~the department, must transfer from the electric vehicle account to~~
25 ~~the general fund a sum equal to the dollar amount that would~~
26 ~~otherwise have been deposited into the general fund during the prior~~
27 ~~fiscal quarter but for the exemptions provided in this section.~~
28 ~~Information provided by the department to the state treasurer must be~~
29 ~~based on the best available data.~~

30 ~~(5))~~ (a) Sales of vehicles delivered to the buyer after the
31 expiration of this section, or leased vehicles for which the lease
32 agreement was signed after the expiration of this section, do not
33 qualify for the exemptions under this section.

34 (b) All leased vehicles that qualified for the exemption under
35 this section before the expiration of this section must continue to
36 receive the exemption on any lease payments due through the remainder
37 of the lease.

38 ~~((6))~~ (5) The definitions in RCW 82.08.993 apply to this
39 section.

40 ~~((7))~~ (6) This section expires June 30, 2029.

1 **Sec. 207.** RCW 82.12.9999 and 2019 c 287 s 10 are each amended to
2 read as follows:

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

5 (a) The provisions of this chapter do not apply as provided in
6 (b) of this subsection in respect to the use of new or used passenger
7 cars, light duty trucks, and medium duty passenger vehicles that:

8 (i) Are exclusively powered by a clean alternative fuel; or

9 (ii) Use at least one method of propulsion that is capable of
10 being reenergized by an external source of electricity and are
11 capable of traveling at least thirty miles using only battery power;
12 and

13 (iii) (A) Have a fair market value at the time use tax is imposed
14 for purchased vehicles that:

15 (I) For a vehicle that is a new vehicle at the time of the
16 purchase date or the date the lease agreement was signed, does not
17 exceed forty-five thousand dollars; or

18 (II) For a vehicle that is a used vehicle at the time of the
19 purchase date or the date the lease agreement was signed, does not
20 exceed thirty thousand dollars; or

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

23 (I) For a vehicle that is a new vehicle at the time of the
24 purchase date or the date the lease agreement was signed, does not
25 exceed forty-five thousand dollars; or

26 (II) For a vehicle that is a used vehicle at the time of the
27 purchase date or the date the lease agreement was signed, does not
28 exceed thirty thousand dollars;

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

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

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

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

1 (A) From the qualification period start date until July 31, 2021,
2 the maximum amount eligible under (b)(i) of this subsection is
3 twenty-five thousand dollars;

4 (B) From August 1, 2021, until July 31, 2023, the maximum amount
5 eligible under (b)(i) of this subsection is twenty thousand dollars;

6 (C) From August 1, 2023, until July 31, 2025, the maximum amount
7 eligible under (b)(i) of this subsection is fifteen thousand dollars.

8 (iii) If the vehicle is a used vehicle at the time of the
9 purchase date or the date the lease agreement was signed, the maximum
10 amount eligible under (b)(i) of this subsection is sixteen thousand
11 dollars.

12 (2)(a) The seller must keep records necessary for the department
13 to verify eligibility under this section, except as provided in (b)
14 of this subsection. A person claiming the exemption must also submit
15 itemized information to the department for all vehicles for which an
16 exemption is claimed that must include the following: Vehicle make;
17 vehicle model; model year; whether the vehicle has been sold or
18 leased; date of sale or start date of lease; length of lease; fair
19 market value of the vehicle; and the total amount qualifying for the
20 incentive claimed for each vehicle, in addition to the future monthly
21 amount to be claimed for each leased vehicle. This information must
22 be provided in a form and manner prescribed by the department.

23 (b) (a) of this subsection applies only if the seller or person
24 claiming the exemption is a vehicle dealer, as defined under RCW
25 46.70.011. When the seller is not a vehicle dealer, the department of
26 licensing must establish a process for granting the tax exemption
27 under this section for use tax otherwise collected at the time the
28 ownership of a vehicle is transferred when the vehicle qualifies for
29 the use tax exemption under subsection (1)(a) of this section, and
30 must provide any information required under (a) of this subsection
31 that it obtains as part of the vehicle titling and registration
32 process for these vehicles to the department on at least a quarterly
33 basis.

34 ~~(3) ((On the last day of January, April, July, and October of~~
35 ~~each year, the state treasurer, based upon information provided by~~
36 ~~the department, must transfer from the electric vehicle account to~~
37 ~~the general fund a sum equal to the dollar amount that would~~
38 ~~otherwise have been deposited into the general fund during the prior~~
39 ~~calendar quarter but for the exemption provided in this section.~~

1 ~~Information provided by the department to the state treasurer must be~~
2 ~~based on the best available data.~~

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

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

11 ~~((5))~~ (4) The definitions in RCW 82.08.9999 apply to this
12 section.

13 ~~((6))~~ (5) This section is supported by the revenues generated
14 in RCW 46.17.324, and therefore takes effect only if RCW 46.17.324 is
15 enacted by June 30, 2019.

16 ~~((7))~~ (6) This section expires August 1, 2028.

17 **Sec. 208.** RCW 82.04.4496 and 2019 c 287 s 8 are each amended to
18 read as follows:

19 (1)(a)(i) A person who is taxable under this chapter is allowed a
20 credit against the tax imposed in this chapter according to the gross
21 vehicle weight rating of the vehicle and the incremental cost of the
22 vehicle purchased above the purchase price of a comparable
23 conventionally fueled vehicle. The credit is limited, as set forth in
24 the table below, to the lesser of the incremental cost amount or the
25 maximum credit amount per vehicle purchased, and subject to a maximum
26 annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	75% of incremental cost	\$25,000	\$2,000,000
14,001 to 26,500 pounds	75% of incremental cost	\$50,000	\$2,000,000
Above 26,500 pounds	75% of incremental cost	\$100,000	\$2,000,000

32 (ii) A person who is taxable under this chapter is allowed a
33 credit against the tax imposed in this chapter for up to fifty
34 percent of the cost to purchase alternative fuel vehicle
35 infrastructure, tangible personal property that will become a
36 component of alternative fuel vehicle infrastructure, and
37 installation and construction of alternative fuel vehicle

1 infrastructure, but excluding the cost of property acquisition and
2 site improvement related to the installation of alternative fuel
3 vehicle infrastructure. The credit is subject to a maximum annual
4 credit amount of two million dollars.

5 (b) On September 1st of each year, any unused credits from any
6 category identified in (a) of this subsection must be made available
7 to applicants applying for credits under any other category
8 identified in (a) of this subsection, subject to the maximum annual
9 and total credit amounts identified in this subsection. The credit
10 established in this section and RCW 82.16.0496 is subject to a
11 maximum annual credit amount of six million dollars, and a maximum
12 total credit amount of thirty-two and one-half million dollars since
13 the credit became available on July 15, 2015.

14 (c) The credit provided in (a)(i) of this subsection is available
15 for the lease of a vehicle. The credit amount for a leased vehicle is
16 equal to the credit in (a)(i) of this subsection multiplied by the
17 lease reduction factor. The person claiming the credit for a leased
18 vehicle must be the lessee as identified in the lease contract.

19 (2) A person who is taxable under this chapter is allowed,
20 subject to the maximum annual credit per category in subsection
21 (1)(a) of this section, a credit against the tax imposed in this
22 chapter for the lesser of twenty-five thousand dollars or fifty
23 percent of the costs of converting a commercial vehicle to be
24 principally powered by a clean alternative fuel with a United States
25 environmental protection agency certified conversion.

26 (3) The total credits under subsection (1)(a)(i) of this section
27 may not exceed the lesser of two hundred fifty thousand dollars or
28 twenty-five vehicles per person per calendar year.

29 (4) A person may not receive credit under this section for
30 amounts claimed as credits under chapter 82.16 RCW.

31 (5) Credits are available on a first-in-time basis.

32 (a) The department must disallow any credits, or portion thereof,
33 that would cause the total amount of credits claimed under this
34 section, and RCW 82.16.0496, during any calendar year to exceed six
35 million dollars. The department must provide notification on its
36 website monthly on the amount of credits that have been applied for,
37 the amount issued, and the amount remaining before the statewide
38 annual limit is reached. In addition, the department must provide
39 written notice to any person who has applied to claim tax credits in
40 excess of the limitation in this subsection.

1 (b) The department must disallow any credits, or portion thereof,
2 that would cause the total amount of credits claimed beginning July
3 15, 2015, under this section and RCW 82.16.0496 to exceed thirty-two
4 and one-half million dollars. The department must provide
5 notification on its website monthly on the total amount of credits
6 that have been applied for, the amount issued, and the amount
7 remaining before the statewide limit is reached. In addition, the
8 department must provide written notice to any person who has applied
9 to claim tax credits in excess of the limitation in this subsection.

10 (6) For the purposes of the limits provided in this section, a
11 credit must be counted against such limits for the calendar year in
12 which the credit is earned.

13 (7) To claim a credit under this section a person must
14 electronically file with the department all returns, forms, and any
15 other information required by the department, in an electronic format
16 as provided or approved by the department. No refunds may be granted
17 for credits under this section.

18 (8) To claim a credit under this section, the person applying
19 must:

20 (a) Complete an application for the credit which must include:

21 (i) The name, business address, and tax identification number of
22 the applicant;

23 (ii) A quote or unexecuted copy of the purchase requisition or
24 order for the vehicle, infrastructure, infrastructure components,
25 infrastructure construction, or infrastructure installation;

26 (iii) The type of alternative fuel to be used by the vehicle or
27 supported by the infrastructure;

28 (iv) The incremental cost of the alternative fuel system for
29 vehicle credits;

30 (v) The anticipated delivery date of the vehicle, the anticipated
31 delivery date of the infrastructure or infrastructure components, the
32 anticipated construction completion date of the infrastructure, or
33 the anticipated installation completion date of the infrastructure;

34 (vi) The estimated annual fuel use of the vehicle in the
35 anticipated duties or the estimated annual fuel to be supplied by the
36 infrastructure;

37 (vii) The gross weight of each vehicle for vehicle credits;

38 (viii) For leased vehicles, a copy of the lease contract that
39 includes the gross capitalized cost, residual value, and name of the
40 lessee; and

1 (ix) Any other information deemed necessary by the department to
2 support administration or reporting of the program.

3 (b) Within fifteen days of notice of credit availability from the
4 department, provide notice of intent to claim the credit including:

5 (i) A copy of the order for the vehicle or infrastructure-related
6 item, including the total cost for the vehicle or infrastructure-
7 related item;

8 (ii) The anticipated delivery date of the vehicle or
9 infrastructure or infrastructure component, which must be within one
10 year of acceptance of the credit;

11 (iii) The anticipated construction or installation completion
12 date of the infrastructure, which must be within two years of
13 acceptance of the credit; and

14 (iv) Any other information deemed necessary by the department to
15 support administration or reporting of the program.

16 (c) Provide final documentation within thirty days of receipt of
17 the vehicle or infrastructure or infrastructure components or of
18 completion of construction or installation of the infrastructure,
19 including:

20 (i) A copy of the final invoice for the vehicle or
21 infrastructure-related items;

22 (ii) A copy of the factory build sheet or equivalent
23 documentation;

24 (iii) The vehicle identification number of each vehicle;

25 (iv) The incremental cost of the alternative fuel system for
26 vehicle credits;

27 (v) Attestations signed by both the seller and purchaser of each
28 vehicle attesting that the incremental cost of the alternative fuel
29 system includes only the costs necessary for the vehicle to run on
30 alternative fuel and no other vehicle options, equipment, or costs;
31 and

32 (vi) Any other information deemed necessary by the department to
33 support administration or reporting of the program.

34 (9) A person applying for credit under subsection (8) of this
35 section may apply for multiple vehicles on the same application, but
36 the application must include the required information for each
37 vehicle included in the application. A separate application is
38 required for infrastructure-related items, but all infrastructure-
39 related items at a single location may be included in a single

1 application provided the required information for each
2 infrastructure-related item is included in the application.

3 (10) To administer the credits, the department must, at a
4 minimum:

5 (a) Provide notification on its website monthly of the amount of
6 credits that have been applied for, claimed, and the amount remaining
7 before the statewide annual limit and total limit are reached;

8 (b) Within fifteen days of receipt of the application, notify
9 persons applying of the availability of tax credits in the year in
10 which the vehicles or infrastructure applied for are anticipated to
11 be delivered, constructed, or installed;

12 (c) Within fifteen days of receipt of the notice of intent to
13 claim the tax credit, notify the applicant of the approval, denial,
14 or missing information in their notice; and

15 (d) Within fifteen days of receipt of final documentation, review
16 the documentation and notify the person applying of the acceptance of
17 their final documentation.

18 (11) If a person fails to supply the information as required in
19 subsection (8) of this section, the department must deny the
20 application.

21 (12)(a) Taxpayers are only eligible for a credit under this
22 section based on:

23 (i) Sales or leases of new commercial vehicles and qualifying
24 used commercial vehicles with propulsion units that are principally
25 powered by a clean alternative fuel;

26 (ii) Costs to modify a commercial vehicle, including sales of
27 tangible personal property incorporated into the vehicle and labor or
28 service expenses incurred in modifying the vehicle, to be principally
29 powered by a clean alternative fuel; or

30 (iii) Sales of alternative fuel vehicle infrastructure or
31 infrastructure components, or the cost of construction or
32 installation of alternative fuel vehicle infrastructure.

33 (b) A credit is earned when the purchaser or the lessee takes
34 receipt of the qualifying commercial vehicle or infrastructure-
35 related item, the vehicle conversion is complete, or the construction
36 or installation of the infrastructure is complete.

37 (13) A credit earned during one calendar year may be carried over
38 to be credited against taxes incurred in the subsequent calendar
39 year, but may not be carried over a second year.

1 ~~(14) ((a) Beginning November 25, 2015, and on the 25th of~~
2 ~~February, May, August, and November of each year thereafter, the~~
3 ~~department must notify the state treasurer of the amount of credits~~
4 ~~taken under this section as reported on returns filed with the~~
5 ~~department during the preceding calendar quarter ending on the last~~
6 ~~day of December, March, June, and September, respectively.~~

7 ~~(b) On the last day of March, June, September, and December of~~
8 ~~each year, the state treasurer, based upon information provided by~~
9 ~~the department, must transfer a sum equal to the dollar amount of the~~
10 ~~credit provided under this section from the multimodal transportation~~
11 ~~account to the general fund.~~

12 ~~(15))~~ The department must conduct outreach to interested parties
13 to obtain input on how best to streamline the application process
14 required for the credit made available in this section and RCW
15 82.16.0496 to further adoption of alternative fuel technologies in
16 commercial vehicle fleets, and must incorporate the findings
17 resulting from this outreach effort into the rules and practices it
18 adopts to implement and administer this section and RCW 82.16.0496 to
19 the extent permitted under law.

20 ~~((16))~~ (15) The definitions in this subsection apply throughout
21 this section unless the context clearly requires otherwise.

22 (a) "Alternative fuel vehicle infrastructure" means structures,
23 machinery, and equipment necessary and integral to support a clean
24 alternative fuel vehicle.

25 (b) "Auto transportation company" means any corporation or person
26 owning, controlling, operating, or managing any motor propelled
27 vehicle, used in the business of transporting persons for
28 compensation over public highways within the state of Washington,
29 between fixed points or over a regular route. For the purposes of
30 this section, "auto transportation company" also includes the
31 following categories of providers irrespective of whether they
32 provide service between fixed points or over a regular route:
33 "Private, nonprofit transportation provider" as defined in RCW
34 81.66.010, "charter party carrier" as defined in RCW 81.70.020, and
35 paratransit service providers who primarily provide special needs
36 transportation to individuals with disabilities and the elderly.

37 (c) "Clean alternative fuel" means electricity, dimethyl ether,
38 hydrogen, methane, natural gas, liquefied natural gas, compressed
39 natural gas, or propane.

1 (d) "Commercial vehicle" means any commercial vehicle that is
2 purchased by a private business and that is used exclusively in the
3 provision of commercial services or the transportation of
4 commodities, merchandise, produce, refuse, freight, animals, or
5 passengers, and that is displaying a Washington state license plate.
6 All commercial vehicles that provide transportation to passengers
7 must be operated by an auto transportation company.

8 (e) "Gross capitalized cost" means the agreed upon value of the
9 commercial vehicle and including any other items a person pays over
10 the lease term that are included in such cost.

11 (f) "Lease reduction factor" means the vehicle gross capitalized
12 cost less the residual value, divided by the gross capitalized cost.

13 (g) "Qualifying used commercial vehicle" means vehicles that:

14 (i) Have an odometer reading of less than four hundred fifty
15 thousand miles;

16 (ii) Are less than ten years past their original date of
17 manufacture;

18 (iii) Were modified after the initial purchase with a United
19 States environmental protection agency certified conversion that
20 would allow the propulsion units to be principally powered by a clean
21 alternative fuel; and

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

23 (h) "Residual value" means the lease-end value of the vehicle as
24 determined by the lessor, at the end of the lease term included in
25 the lease contract.

26 ~~((17))~~ (16) Credits may be earned under this section from
27 January 1, 2016, until the maximum total credit amount in subsection
28 (1)(b) of this section is reached, except for credits for leased
29 vehicles, which may be earned from July 1, 2016, until the maximum
30 total credit amount in subsection (1)(b) of this section is reached.

31 **Sec. 209.** RCW 82.16.0496 and 2019 c 287 s 13 are each amended to
32 read as follows:

33 (1)(a)(i) A person who is taxable under this chapter is allowed a
34 credit against the tax imposed in this chapter according to the gross
35 vehicle weight rating of the vehicle and the incremental cost of the
36 vehicle purchased above the purchase price of a comparable
37 conventionally fueled vehicle. The credit is limited, as set forth in
38 the table below, to the lesser of the incremental cost amount or the

1 maximum credit amount per vehicle purchased, and subject to a maximum
2 annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	75% of incremental cost	\$25,000	\$2,000,000
14,001 to 26,500 pounds	75% of incremental cost	\$50,000	\$2,000,000
Above 26,500 pounds	75% of incremental cost	\$100,000	\$2,000,000

8 (ii) A person who is taxable under this chapter is allowed a
9 credit against the tax imposed in this chapter for up to fifty
10 percent of the cost to purchase alternative fuel vehicle
11 infrastructure, tangible personal property that will become a
12 component of alternative fuel vehicle infrastructure, and
13 installation and construction of alternative fuel vehicle
14 infrastructure, but excluding the cost of property acquisition and
15 site improvement related to the installation of alternative fuel
16 vehicle infrastructure. The credit is subject to a maximum annual
17 credit amount of two million dollars.

18 (b) On September 1st of each year, any unused credits from any
19 category identified in (a) of this subsection must be made available
20 to applicants applying for credits under any other category
21 identified in (a) of this subsection, subject to the maximum annual
22 and total credit amounts identified in this subsection. The credit
23 established in this section and RCW 82.04.4496 is subject to a
24 maximum annual credit amount of six million dollars, and a maximum
25 total credit amount of thirty-two and one-half million dollars
26 beginning July 15, 2015.

27 (c) The credit provided in (a)(i) of this subsection is available
28 for the lease of a vehicle. The credit amount for a leased vehicle is
29 equal to the credit in (a)(i) of this subsection multiplied by the
30 lease reduction factor. The person claiming the credit for a leased
31 vehicle must be the lessee as identified in the lease contract.

32 (2) A person who is taxable under this chapter is allowed,
33 subject to the maximum annual credit per category in subsection
34 (1)(a) of this section, a credit against the tax imposed in this
35 chapter for the lesser of twenty-five thousand dollars or fifty
36 percent of the costs of converting a commercial vehicle to be
37 principally powered by a clean alternative fuel with a United States
38 environmental protection agency certified conversion.

1 (3) The total credits under subsection (1)(a)(i) of this section
2 may not exceed the lesser of two hundred fifty thousand dollars or
3 twenty-five vehicles per person per calendar year.

4 (4) A person may not receive credit under this section for
5 amounts claimed as credits under chapter 82.04 RCW.

6 (5) Credits are available on a first-in-time basis.

7 (a) The department must disallow any credits, or portion thereof,
8 that would cause the total amount of credits claimed under this
9 section, and RCW 82.04.4496, during any calendar year to exceed six
10 million dollars. The department must provide notification on its
11 website monthly on the amount of credits that have been applied for,
12 the amount issued, and the amount remaining before the statewide
13 annual limit is reached. In addition, the department must provide
14 written notice to any person who has applied to claim tax credits in
15 excess of the limitation in this subsection.

16 (b) The department must disallow any credits, or portion thereof,
17 that would cause the total amount of credits claimed beginning July
18 15, 2015, under this section and RCW 82.04.4496 to exceed thirty-two
19 and one-half million dollars. The department must provide
20 notification on its website monthly on the total amount of credits
21 that have been applied for, the amount issued, and the amount
22 remaining before the statewide limit is reached. In addition, the
23 department must provide written notice to any person who has applied
24 to claim tax credits in excess of the limitation in this subsection.

25 (6) For the purposes of the limits provided in this section, a
26 credit must be counted against such limits for the calendar year in
27 which the credit is earned.

28 (7) To claim a credit under this section a person must
29 electronically file with the department all returns, forms, and any
30 other information required by the department, in an electronic format
31 as provided or approved by the department. No refunds may be granted
32 for credits under this section.

33 (8) To claim a credit under this section, the person applying
34 must:

35 (a) Complete an application for the credit which must include:

36 (i) The name, business address, and tax identification number of
37 the applicant;

38 (ii) A quote or unexecuted copy of the purchase requisition or
39 order for the vehicle, infrastructure, infrastructure components,
40 infrastructure construction, or infrastructure installation;

1 (iii) The type of alternative fuel to be used by the vehicle or
2 supported by the infrastructure;

3 (iv) The incremental cost of the alternative fuel system for
4 vehicle credits;

5 (v) The anticipated delivery date of the vehicle, the anticipated
6 delivery date of the infrastructure or infrastructure components, the
7 anticipated construction completion date of the infrastructure, or
8 the anticipated installation completion date of the infrastructure;

9 (vi) The estimated annual fuel use of the vehicle in the
10 anticipated duties or the estimated annual fuel to be supplied by the
11 infrastructure;

12 (vii) The gross weight of each vehicle for vehicle credits;

13 (viii) For leased vehicles, a copy of the lease contract that
14 includes the gross capitalized cost, residual value, and name of the
15 lessee; and

16 (ix) Any other information deemed necessary by the department to
17 support administration or reporting of the program.

18 (b) Within fifteen days of notice of credit availability from the
19 department, provide notice of intent to claim the credit including:

20 (i) A copy of the order for the vehicle or infrastructure-related
21 item, including the total cost for the vehicle or infrastructure-
22 related item;

23 (ii) The anticipated delivery date of the vehicle or
24 infrastructure or infrastructure component, which must be within one
25 year of acceptance of the credit;

26 (iii) The anticipated construction or installation completion
27 date of the infrastructure, which must be within two years of
28 acceptance of the credit; and

29 (iv) Any other information deemed necessary by the department to
30 support administration or reporting of the program.

31 (c) Provide final documentation within thirty days of receipt of
32 the vehicle or infrastructure or infrastructure components or of
33 completion of construction or installation of the infrastructure,
34 including:

35 (i) A copy of the final invoice for the vehicle or
36 infrastructure-related items;

37 (ii) A copy of the factory build sheet or equivalent
38 documentation;

39 (iii) The vehicle identification number of each vehicle;

1 (iv) The incremental cost of the alternative fuel system for
2 vehicle credits;

3 (v) Attestations signed by both the seller and purchaser of the
4 vehicle attesting that the incremental cost of the alternative fuel
5 system includes only the costs necessary for the vehicle to run on
6 alternative fuel and no other vehicle options, equipment, or costs;
7 and

8 (vi) Any other information deemed necessary by the department to
9 support administration or reporting of the program.

10 (9) A person applying for credit under subsection (8) of this
11 section may apply for multiple vehicles on the same application, but
12 the application must include the required information for each
13 vehicle included in the application. A separate application is
14 required for infrastructure-related items, but all infrastructure-
15 related items at a single location may be included in a single
16 application provided the required information for each
17 infrastructure-related item is included in the application.

18 (10) To administer the credits, the department must, at a
19 minimum:

20 (a) Provide notification on its website monthly of the amount of
21 credits that have been applied for, claimed, and the amount remaining
22 before the statewide annual limit and total limit are reached;

23 (b) Within fifteen days of receipt of the application, notify
24 persons applying of the availability of tax credits in the year in
25 which the vehicles or infrastructure applied for are anticipated to
26 be delivered, constructed, or installed;

27 (c) Within fifteen days of receipt of the notice of intent to
28 claim the tax credit, notify the applicant of the approval, denial,
29 or missing information in their notice; and

30 (d) Within fifteen days of receipt of final documentation, review
31 the documentation and notify the person applying of the acceptance of
32 their final documentation.

33 (11) If a person fails to supply the information as required in
34 subsection (8) of this section, the department must deny the
35 application.

36 (12)(a) Taxpayers are only eligible for a credit under this
37 section based on:

38 (i) Sales or leases of new commercial vehicles and qualifying
39 used commercial vehicles with propulsion units that are principally
40 powered by a clean alternative fuel;

1 (ii) Costs to modify a commercial vehicle, including sales of
2 tangible personal property incorporated into the vehicle and labor or
3 service expenses incurred in modifying the vehicle, to be principally
4 powered by a clean alternative fuel; or

5 (iii) Sales of alternative fuel vehicle infrastructure or
6 infrastructure components, or the cost of construction or
7 installation of alternative fuel vehicle infrastructure.

8 (b) A credit is earned when the purchaser or the lessee takes
9 receipt of the qualifying commercial vehicle or infrastructure-
10 related item, the vehicle conversion is complete, or the construction
11 or installation of the infrastructure is complete.

12 (13) The definitions in RCW 82.04.4496 apply to this section.

13 (14) A credit earned during one calendar year may be carried over
14 to be credited against taxes incurred in the subsequent calendar
15 year, but may not be carried over a second year.

16 ~~(15) ((a) Beginning November 25, 2015, and on the 25th of~~
17 ~~February, May, August, and November of each year thereafter, the~~
18 ~~department must notify the state treasurer of the amount of credits~~
19 ~~taken under this section as reported on returns filed with the~~
20 ~~department during the preceding calendar quarter ending on the last~~
21 ~~day of December, March, June, and September, respectively.~~

22 ~~(b) On the last day of March, June, September, and December of~~
23 ~~each year, the state treasurer, based upon information provided by~~
24 ~~the department, must transfer a sum equal to the dollar amount of the~~
25 ~~credit provided under this section from the multimodal transportation~~
26 ~~account to the general fund.~~

27 ~~(16))~~ Credits may be earned under this section from January 1,
28 2016, until the maximum total credit amount in subsection (1)(b) of
29 this section is reached, except for credits for leased vehicles,
30 which may be earned from July 1, 2016, until the maximum total credit
31 amount in subsection (1)(b) of this section is reached.

32 **PART III**
33 **MISCELLANEOUS**

34 NEW SECTION. **Sec. 301.** Sections 201 through 209 of this act
35 take effect July 1, 2025.

--- END ---