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**SUBSTITUTE HOUSE BILL 1736**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** House Housing, Community Development & Veterans (originally sponsored by Representatives Kraft, Lovick, Dent, Kirby, Klippert, Peterson, Walsh, Kilduff, Stanford, Van Werven, Young, and Leavitt)

1 AN ACT Relating to tax relief for veterans and service members  
2 with disabilities to purchase adaptive agricultural equipment; adding  
3 a new section to chapter 82.08 RCW; adding a new section to chapter  
4 82.12 RCW; creating new sections; providing an effective date; and  
5 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  
9 chapter . . ., Laws of 2019 (this act). This performance statement is  
10 only intended to be used for subsequent evaluation of the tax  
11 preferences. It is not intended to create a private right of action  
12 by any party or be used to determine eligibility for preferential tax  
13 treatment.

14 (2) It is the legislature's intent to provide specific financial  
15 relief for disabled veterans by providing a sales and use tax  
16 exemption in the form of a remittance for adaptive agricultural  
17 equipment.

18 (3) The legislature categorizes the tax preferences in this act  
19 as ones intended to provide tax relief for certain individuals or  
20 businesses, as indicated in RCW 82.32.808(2)(e).

1 (4) To measure the effectiveness of chapter . . ., Laws of 2019  
2 (this act) in achieving the specific public policy objective  
3 described in subsection (2) of this section, the joint legislative  
4 audit and review committee must, at minimum, review the number and  
5 dollar amount of qualifying adaptive agricultural equipment  
6 purchases, as reported to the department of revenue.

7 (4) In addition to the data sources described under this section,  
8 the joint legislative audit and review committee may use any other  
9 data it deems necessary in performing the evaluation under this  
10 section.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08  
12 RCW to read as follows:

13 (1) An eligible purchaser who has paid the tax levied by RCW  
14 82.08.020 on adaptive agricultural equipment, including charges  
15 incurred for labor and services in respect to the purchase,  
16 installation, modification, or repair of such adaptive equipment, is  
17 eligible for an exemption from those taxes in the form of a  
18 remittance. The remittance under this section is for the state  
19 portion of the sales tax only.

20 (2)(a) An eligible purchaser claiming an exemption from tax in  
21 the form of a remittance under this section must pay the tax imposed  
22 by RCW 82.08.020 on such purchases eligible for the remittance. The  
23 eligible purchaser may then apply to the department for remittance of  
24 the tax paid under RCW 82.08.020 on such purchases. The application  
25 must include invoices for purchases qualifying for a remittance and  
26 documentation that the purchaser meets the requirements of an  
27 eligible purchaser under this section.

28 (b) An eligible purchaser may not apply for more than one  
29 remittance under this section per calendar quarter.

30 (c) An eligible purchaser may not apply for a single remittance  
31 under this section in excess of five thousand dollars. The sum of  
32 remittances applied for by an eligible purchaser under this section  
33 may not exceed ten thousand dollars in a given year.

34 (d) The department must on a quarterly basis remit exempted  
35 amounts to eligible purchasers whose applications were approved by  
36 the department during the previous quarter.

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

1 (a) "Adaptive agricultural equipment" means agricultural  
2 equipment, or equipment installed in or modifications made to  
3 agricultural equipment, that are necessary to assist physically  
4 challenged persons to operate the equipment. The term includes, but  
5 is not limited to, hand or foot controls, additional or modified  
6 steps, chest and shoulder harnesses, handrails, motorized lifts,  
7 hydraulic or electronic controls and hoisters, power door openers,  
8 and automatic hitch systems.

9 (b) "Eligible purchaser" means:

10 (i) A veteran, or member of the armed forces serving on active  
11 duty, with a service-connected disability as that term is defined in  
12 federal statute by Title 38 U.S.C. Sec. 101, as amended, as of  
13 January 1, 2019; or

14 (ii) A farm owner that employs a disabled veteran as defined in  
15 (b)(i) of this subsection on a full-time basis for at least six  
16 months during the year in which the remittance is claimed. The  
17 disabled veteran employee must use the exempted equipment on a  
18 regular basis during the course of their regular employment duties.

19 (4) This section expires July 1, 2029.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12  
21 RCW to read as follows:

22 (1) An eligible purchaser who has paid the tax levied by RCW  
23 82.12.020 on adaptive agricultural equipment or on labor and services  
24 rendered in respect to the purchase, installation, modification, or  
25 repair of such equipment is eligible for an exemption from that tax  
26 in the form of a remittance.

27 (2) All of the eligibility requirements, conditions, limitations,  
28 and definitions in section 2 of this act apply to this section.

29 (3) This section expires July 1, 2029.

30 NEW SECTION. **Sec. 4.** This act applies to sales or uses that  
31 occur on or after September 1, 2019.

32 NEW SECTION. **Sec. 5.** This act takes effect September 1, 2019.

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