
HOUSE BILL 1986

State of Washington

66th Legislature

2019 Regular Session

By Representatives Shewmake, Doglio, and Fey

1 AN ACT Relating to providing a retail sales and use tax exemption
2 for the purchase of electric bicycles and related cycling equipment;
3 adding a new section to chapter 82.08 RCW; adding a new section to
4 chapter 82.12 RCW; creating new sections; and providing contingent
5 expiration dates.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that encouraging
8 citizens to own and use electric bicycles for commuting, can replace
9 light duty passenger vehicles and thus reduce congestion, local air
10 pollution and global carbon pollution while enhancing citizen's
11 health and saving commuters money. The legislature recognizes that
12 people with lower incomes have fewer financial resources for
13 purchasing these types of vehicles which can help them commute to
14 work and school with reduced financial burdens. It is therefore the
15 intent of this legislation to increase electric bicycle sales by
16 providing an exemption from the state sales tax on new qualifying
17 vehicle purchases.

18 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
19 performance statement for the tax preference contained in sections 3
20 and 4, chapter . . . , Laws of 2019 (sections 3 and 4 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 this tax preference as one
6 intended to provide tax relief for certain individuals as indicated
7 in RCW 82.32.808(2)(e).

8 (3) It is the legislature's specific public policy objective to
9 encourage citizens to own and use electric bicycles by assisting in
10 the purchasing of electric bicycles and related equipment.

11 (4) If the review finds that the number of electric bicycles
12 purchased in Washington increases twenty-five percent as compared to
13 the number of electric bicycles in calendar year 2018, then the
14 legislature intends to extend the expiration date of this tax
15 preference.

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

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.08
20 RCW to read as follows:

21 (1) Except as provided in subsection (2) of this section,
22 beginning August 1, 2019, the tax levied by RCW 82.08.020 does not
23 apply to the sale of new electric bicycles and up to two hundred
24 dollars in related cycling equipment. The exemption is available on a
25 first-come basis until the exemption expires.

26 (2) The department must post a quarterly balance report on its
27 web site that includes an estimated expiration date for this section.
28 If the remaining balance of exemptions available under this section
29 is less than ten thousand dollars, the department must publish a
30 notification on its web site.

31 (3) The seller must keep records necessary for the department to
32 verify eligibility under this section.

33 (4) The definitions in this subsection apply throughout this
34 section unless the context clearly requires otherwise.

35 (a) "Electric bicycle" has the same meaning as provided in RCW
36 46.04.169.

37 (b) "Related cycling equipment" means cycling accessories
38 commonly associated with bicycle ownership, including but not limited
39 to helmets, bicycle locks, fenders, lights, and a bicycle service or

1 repair plan, purchased as part of the same transaction as an electric
2 bicycle.

3 (5) (a) This section expires on the earlier of:

4 (i) May 1, 2025; or

5 (ii) The date that the department determines that five hundred
6 thousand dollars in total retail sales tax exemptions have been
7 granted under this section.

8 (b) The department must provide written notice of the expiration
9 date of this section to affected parties, the chief clerk of the
10 house of representatives, the secretary of the senate, the office of
11 the coder reviser, and others as deemed appropriate by the
12 department.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.12
14 RCW to read as follows:

15 (1) The provisions of this chapter do not apply to sales of
16 electric bicycles and related cycling equipment.

17 (2) (a) This section expires on the earlier of:

18 (i) May 1, 2025; or

19 (ii) The date that the department determines that five hundred
20 thousand dollars in total retail sales tax exemptions have been
21 granted under section 3 of this act.

22 (b) The department must provide written notice of the expiration
23 date of this section to affected parties, the chief clerk of the
24 house of representatives, the secretary of the senate, the office of
25 the coder reviser, and others as deemed appropriate by the
26 department.

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