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HOUSE BILL 2486

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State of Washington

66th Legislature

2020 Regular Session

By Representative Lekanoff; by request of Governor Inslee

1 AN ACT Relating to extending the electric marine battery  
2 incentive; amending RCW 82.08.996 and 82.12.996; amending 2019 c 287  
3 s 20 (uncodified); providing an effective date; and providing  
4 expiration dates.

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

6 **Sec. 1.** RCW 82.08.996 and 2019 c 287 s 21 are each amended to  
7 read as follows:

8 (1) The tax imposed by RCW 82.08.020 does not apply to:

9 (a) The sale of new battery-powered electric marine propulsion  
10 systems with continuous power greater than fifteen kilowatts.

11 (b) The sale of new vessels equipped with propulsion systems that  
12 qualify under (a) of this subsection.

13 (2) Sellers may make tax exempt sales under this section only if  
14 the buyer provides the seller with an exemption certificate in a form  
15 and manner prescribed by the department. The seller must retain a  
16 copy of the certificate for the seller's files.

17 (3) On the last day of January, April, July, and October of each  
18 year, the state treasurer, based upon information provided by the  
19 department, must transfer from the multimodal transportation account  
20 to the general fund a sum equal to the dollar amount that would  
21 otherwise have been deposited into the general fund during the prior

1 calendar quarter but for the exemption provided in this section.  
2 Information provided by the department to the state treasurer must be  
3 based on the best available data, except that the department may  
4 provide estimates of taxes exempted under this section until such  
5 time as retailers are able to report such exempted amounts on their  
6 tax returns.

7 (4) For the purposes of this section:

8 (a) "Battery-powered electric marine propulsion system" means a  
9 fully electric outboard or inboard motor used by vessels, the sole  
10 source of propulsive power of which is the energy stored in the  
11 battery packs. The term includes required accessories, such as  
12 throttles, displays, and battery packs; and

13 (b) "Vessel" includes every watercraft, other than a seaplane,  
14 used or capable of being used as a means of transportation on the  
15 water.

16 (5) This section expires July 1, (~~2025~~) 2035.

17 **Sec. 2.** RCW 82.12.996 and 2019 c 287 s 22 are each amended to  
18 read as follows:

19 (1) The tax imposed by RCW 82.12.020 does not apply to the use  
20 of:

21 (a) New battery-powered electric marine propulsion systems with  
22 continuous power greater than fifteen kilowatts; and

23 (b) New vessels equipped with propulsion systems that qualify  
24 under (a) of this subsection.

25 (2) Sellers may make tax exempt sales under this section only if  
26 the buyer provides the seller with an exemption certificate in a form  
27 and manner prescribed by the department. The seller must retain a  
28 copy of the certificate for the seller's files.

29 (3) On the last day of January, April, July, and October of each  
30 year, the state treasurer, based upon information provided by the  
31 department, must transfer from the multimodal transportation account  
32 to the general fund a sum equal to the dollar amount that would  
33 otherwise have been deposited into the general fund during the prior  
34 calendar quarter but for the exemption provided in this section.  
35 Information provided by the department to the state treasurer must be  
36 based on the best available data, except that the department may  
37 provide estimates of taxes exempted under this section until such  
38 time as retailers are able to report such exempted amounts on their  
39 tax returns.

1 (4) For the purposes of this section, "battery-powered electric  
2 marine propulsion system" and "vessel" have the same meanings as  
3 provided in (~~section 22 of this act~~) RCW 82.08.996.

4 (5) This section expires July 1, (~~2025~~) 2035.

5 **Sec. 3.** 2019 c 287 s 20 (uncodified) is amended to read as  
6 follows:

7 This section is the tax preference performance statement for the  
8 tax preferences contained in sections 1 and 2, chapter . . ., Laws of  
9 2020 (sections 1 and 2 of this act) and sections 21 and 22, chapter  
10 287, Laws of 2019. The performance statement is only intended to be  
11 used for subsequent evaluation of the tax preference. It is not  
12 intended to create a private right of action by any party or be used  
13 to determine eligibility for preferential tax treatment.

14 (1) The legislature categorizes the tax preferences as ones  
15 intended to induce certain designated behavior by taxpayers, as  
16 indicated in RCW 82.32.808(2) (a).

17 (2) It is the legislature's specific public policy objective to  
18 increase the use of electric vessels in Washington. It is the  
19 legislature's intent to establish a sales and use tax exemption on  
20 certain electric vessels in order to reduce the price charged to  
21 customers for electric vessels.

22 (3) To measure the effectiveness of the tax preferences in  
23 sections 1 and 2, chapter . . ., Laws of 2020 (sections 1 and 2 of  
24 this act) and sections 21 and 22, chapter 287, Laws of 2019 in  
25 achieving the public policy objectives described in subsection (2) of  
26 this section, the joint legislative audit and review committee must  
27 evaluate the number of electric vessels titled in the state.

28 (4) In order to obtain the data necessary to perform the review  
29 in subsection (3) of this section, the department of licensing and  
30 the department of revenue must provide data needed for the joint  
31 legislative audit and review committee analysis. In addition to the  
32 data source described under this subsection, the joint legislative  
33 audit and review committee may use any other data it deems necessary.

34 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2020.

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