

This does not constitute tax advice. All persons considering use of available incentives should consult with their own tax professional to determine eligibility, specific amount of benefit available, if any, and further details.

## STATE OF WASHINGTON

# Electric Vehicle Sales & Use Tax Exemption

**Short Description:** The purchase or lease of a new electric vehicle before July 1, 2015, is exempt from State of Washington sales/use tax and the motor vehicles sales/use tax.

**Beneficiary:** Benefit for Buyers, Leasers of new Electric Vehicles

**Type of Incentive:** Sales & Use Tax Exemption for purchase price or lease payments

**Effective Dates:** Current Tax Exemptions scheduled to expire July 1, 2015

**Value of Benefit:** Benefit is equal to sales tax on purchase price. The exemption certificate form has been reproduced below.

**Full Description:** Purchases of new vehicles that use clean alternative fuels are exempt from Washington sales/use tax and the motor vehicles sales/use tax (80.08.809). Qualifying vehicles include "new motor vehicles" powered solely by clean alternative fuels such as electricity. New vehicles powered by clean alternative fuels will continue to be exempt from all sales/use taxes through July 1, 2015. To qualify, vehicles must be delivered on or after January 1, 2009, and before July 1, 2015. All payments made toward the vehicle's purchase will qualify for the exemption if the vehicle is registered, titled, and delivered during the period. There is also exempt from sales and use tax the purchase of electric vehicles batteries, or the purchase of labor and services with respect to installing, improving, or modifying electric vehicle batteries.

The exemption further applies to leases of new qualifying vehicles that are registered, titled, and delivered to the lessee between January 1, 2009 and July 1, 2015. However, only lease payments due within this period are exempt. A vehicle that is converted within this period also qualifies for the exemption, but only if the conversion occurs prior to or along with the sale. Accessories fall within the exemption, but only if they are components of the qualifying vehicle at the time of the sale. Maintenance agreements, extended warranties, replacement parts, and repair services remain subject to the sales and use tax (Wash Admin Code 458-20-279(7)).

### State Statutory references:

Wash Statute 82.08.020

- <http://apps.leg.wa.gov/rcw/default.aspx?cite=82.08.020> (reproduced below)

Wash Statute 82.08.809

- <http://apps.leg.wa.gov/RCW/default.aspx?cite=82.08.809> (reproduced below)

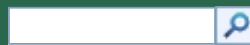
Wash Admin Code 458-20-279

- <http://apps.leg.wa.gov/wac/default.aspx?cite=458-20-279> (reproduced below)

### Other Link(s):

- <http://www.afdc.energy.gov/afdc/laws/law/WA/8260> (AFDC website)

**Contact Info:** Washington Department of Revenue: 1-800-647-7706



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## WAC 458-20-279

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### Clean alternative fuel vehicles and high gas mileage vehicles.

(1) **Introduction.** This section provides information about the requirements for the retail sales and use tax exemptions provided for clean alternative fuel vehicles by RCW [82.08.809](#) and [82.12.809](#), respectively, and the exemption from the 0.3 percent retail sales tax on retail sales of motor vehicles provided for high gas mileage vehicles by RCW [82.08.020](#)(7) ("the exemptions").

(2) **Exemption periods.** The exemption periods provided for clean alternative fuel vehicles and high gas mileage vehicles differ.

(a) **Clean alternative fuel vehicles.**

(i) **New vehicles.** The exemptions provided for new passenger cars, light duty trucks, and medium duty passenger vehicles that are exclusively powered by a clean alternative fuel apply to purchases made from January 1, 2009, through July 1, 2015.

(ii) **Used vehicles.** The exemptions provided for qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles, which were modified after their initial purchase, with an EPA certified conversion to be exclusively powered by a clean alternative fuel apply to purchases made from July 12, 2010, through July 1, 2015.

(iii) **Use of previously exempt vehicles on or after July 1, 2015.** Use tax does not apply to the use, on or after July 1, 2015, of a vehicle if:

- The person used the vehicle in this state before July 1, 2015; and
- The use prior to July 1, 2015, was exempt from use tax as described in (a)(i) or (ii) of this subsection.

(b) **High gas mileage vehicles.** The exemptions provided for new passenger cars, light duty trucks, and medium duty passenger vehicles that utilize hybrid technology and have a United States Environmental Protection Agency estimated highway gasoline mileage rating of at least forty miles per gallon apply as follows:

(i) **January 1, 2009, through July 31, 2009.** The exemptions apply to all retail sales and use taxes.

(ii) **August 1, 2009, through December 31, 2010.** The exemption is limited to the 0.3 percent retail sales tax imposed by RCW [82.08.020](#)(3) on retail sales of motor vehicles.

(3) **Definitions.** The following definitions apply throughout this section:

(a) "Clean alternative fuel" means natural gas, propane, hydrogen, or electricity, when used as a fuel in a motor vehicle that meets the California motor vehicle emission standards in Title 13 of the California code of regulations, effective January 1, 2005, and the rules of the Washington state department of ecology. See RCW [82.08.809](#)(3) and [82.12.809](#) (2).

(b) "Gross vehicle weight rating" is the value specified by the manufacturer as the maximum design loaded weight of a single vehicle. See WAC [173-423-040](#)(4).

(c) "Hybrid technology" means propulsion units powered by both electricity and gasoline. See RCW [82.08.813](#)(3) and [82.12.813](#) (2).

(d) "Light duty truck" is any vehicle certified to the standards in Title 13, CCR, section 1961 (a)(1) rated at eight thousand five hundred pounds gross vehicle weight or less, and any other motor vehicle rated at six thousand pounds gross vehicle weight or less, which is designed primarily for the purposes of transportation of property or is a derivative of such vehicle, or is available with special features enabling off-street or off-highway operation and use. See WAC [173-423-040](#)(8).

(e) "Medium duty passenger vehicle" is any medium duty vehicle with a gross vehicle weight rating of less than ten thousand pounds that is designed primarily for the transportation of persons. The medium

duty passenger vehicle definition does not include any vehicle which:

(i) Is an "incomplete truck," i.e., is a truck that does not have the primary load carrying device or container attached; or

(ii) Has a seating capacity of more than twelve persons; or

(iii) Is designed for more than nine persons in seating rearward of the driver's seat; or

(iv) Is equipped with an open cargo area of seventy-two inches in interior length or more. A covered box not readily accessible from the passenger compartment will be considered an open cargo area for the purpose of this definition. See WAC [173-423-040\(9\)](#).

(f) "Medium duty vehicle" is a vehicle with a gross vehicle weight rating of eight thousand five hundred one to fourteen thousand pounds. See WAC [173-423-100\(2\)](#).

(g) "Model year" is the manufacturer's annual production period which includes January 1 of a calendar year. If the manufacturer has no annual production period, "model year" is the calendar year. In the case of any vehicle manufactured in two or more stages, the time of manufacture shall be the date of completion of the chassis. See WAC [173-423-040\(10\)](#).

(h) "New motor vehicle" is any motor vehicle that:

- Is self-propelled;
- Is required to be registered and titled under Title [46](#) RCW;
- Has not been previously titled to a retail purchaser or lessee; and

• Is not a vehicle which has been sold, bargained, exchanged, given away, or title transferred from the person who first took title to it from the manufacturer or first importer, dealer, or agent of the manufacturer or importer, and so used as to have become what is commonly known as "secondhand" within the ordinary meaning thereof. See RCW [46.70.011](#) and [46.04.660](#).

The model year of the vehicle is not determinative of whether it meets the definition of "new motor vehicle."

(i) "Passenger car" means every motor vehicle except motorcycles and motor-driven cycles designed primarily for transportation of persons and having a design capacity of twelve persons or less. See WAC [173-423-040\(13\)](#) and RCW [46.04.382](#).

(j) "Qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles" means vehicles that:

- Are part of a fleet of at least five vehicles, all owned by the same person;
- Have an odometer reading of less than thirty thousand miles;
- Are less than two years past their original date of manufacture; and
- Are being sold for the first time after modification.

(4) **New passenger cars, light duty trucks, and medium duty passenger vehicles.** In order to qualify for the exemptions, the vehicle must meet the definition of "passenger car," "light duty truck," or "medium duty passenger vehicle" in addition to meeting the definition of "new motor vehicle."

(5) **Purchases of previously owned clean alternative fuel or high gas mileage vehicles.** The exemptions do not apply to purchases of used vehicles unless they are qualifying used passenger cars, light duty vehicles, or medium passenger vehicles, which were modified after their initial purchase, with an EPA certified conversion to be exclusively powered by clean alternative fuel.

(a) **Example 1.** Mike purchases a *used* 2009 model year hybrid vehicle from a dealer or private party in July 2011. The purchase would not qualify for the exemptions. The exemption for vehicles using hybrid technology only applies to new vehicles.

(b) **Example 2.** Nicole purchases a *new* 2008 model year hybrid vehicle in July 2009 from a dealer. This purchase would be exempt (assuming it meets the other requirements). A new vehicle could be any model year as long as it has not been previously titled to a retail purchaser or lessee.

(c) **Example 3.** Joe purchases a *new* 2009 model year hybrid vehicle on August 5, 2009, from a dealer. This purchase is not exempt from all retail sales taxes but, assuming it meets the other requirements, is exempt from the 0.3 percent retail sales tax on retail sales of motor vehicles.

(6) **Conversions.** For purposes of this section, a conversion refers to the alteration of an otherwise

nonqualifying vehicle exclusively powered by gasoline or diesel into a qualifying vehicle that either:

(a) Is exclusively powered by clean alternative fuel; or

(b) Utilizes hybrid technology and has a United States environmental protection agency estimated highway gasoline mileage rating of at least forty miles per gallon.

(i) **Purchases of converted vehicles.** The purchase of a new vehicle, or a used vehicle satisfying the requirements described in subsection (2)(a)(ii) of this section, that is converted prior to or as part of the retail sale to the purchaser and that otherwise satisfies the requirements of the exemptions will qualify for the exemptions. If the conversion is performed after the retail sale, the purchase of the vehicle will not qualify for the exemptions.

(ii) **Purchases of the service of converting vehicles.** While the purchase of a new vehicle converted by the seller prior to or as part of the retail sale to the purchaser qualifies for the exemptions as described in subsection (6)(a) of this section, the purchase of the service of converting a vehicle does not qualify for the exemptions. However, if the seller hires a third party to convert the vehicle, it can give the third party a resale certificate (WAC [458-20-102A](#)) for work completed before January 1, 2010, or a reseller permit (WAC [458-20-102](#)) for work completed on or after January 1, 2010. Even though resale certificates are no longer used after December 31, 2009, they must be kept on file by the seller for five years from the date of last use or December 31, 2014.

(A) **Example 1.** Tom wants to purchase a new nonqualifying vehicle from Dealer but have it converted as a part of the purchase transaction. Dealer hires John's Shop to convert the vehicle for Tom, and Tom purchases the converted vehicle from Dealer. Tom's purchase of the converted vehicle qualifies for the exemptions.

(B) **Example 2.** Tom purchases a new nonqualifying vehicle from Dealer. Tom then hires John's Shop to convert the vehicle. The purchase of the nonqualifying vehicle does not qualify for the exemptions, even if Dealer delivers the vehicle directly to John's Shop on Tom's behalf for conversion.

(7) **Use tax.** The use of a qualifying vehicle by the original title holder is exempt from use tax if the vehicle is purchased during the applicable exemption period specified in subsection (2) of this section.

(a) **Example 1.** Will, a Washington resident, purchases a new qualifying clean alternative fuel vehicle in Oregon from Dealer on February 1, 2009, and returns to Washington in the vehicle on February 2, 2009. Will's use of the vehicle in Washington is exempt from use tax.

(b) **Example 2.** Oliver, an Oregon resident, purchases a new qualifying hybrid vehicle from Dealer in Oregon on April 1, 2009. Oliver moves to Washington on May 15, 2009. Oliver's use of the vehicle in Washington is exempt from use tax. Note: In the absence of the exemptions discussed in this section, Oliver's purchase would be subject to use tax since his first use of the vehicle in Washington occurred within 90 days of his acquisition and use of the vehicle in another state. See RCW [82.12.0251](#).

(8) **Extended warranties and maintenance agreements.** The sale of an extended warranty or maintenance agreement is subject to retail sales tax even though the vehicle itself may qualify for the exemptions. See WAC [458-20-257](#).

(9) **Replacement parts and/or repair services.** The sale of replacement parts or repair services is subject to retail sales tax even though the vehicle itself may have qualified for the exemptions. Only the purchase and use of a qualifying vehicle is exempt from retail sales and use taxes.

(10) **Accessories.** A qualifying vehicle includes all accessories installed or sold as part of the sale of the vehicle.

(a) **Example 1.** A dealership installs a ski rack and applies pinstriping on an otherwise qualifying vehicle on January 5, 2009, before a customer purchases the vehicle. Any separate, itemized charges for the accessories listed on the vehicle sales invoice are exempt from retail sales tax.

(b) **Example 2.** On January 5, 2009, a customer purchases an otherwise qualifying vehicle, and as a condition of the purchase requires that the seller install stereo speakers and apply paint sealant. The seller does not have the accessories in stock, but the customer takes delivery of the vehicle. The customer then brings the vehicle back to the seller, and the accessories are installed and applied on January 12, 2009. Any separate, itemized charges for the accessories listed on the vehicle sales invoice are exempt from retail sales tax.

(11) **Leases.** A vehicle is exempt from retail sales and use taxes on a lease if the other requirements are met. If the vehicle is new, registered, and titled in the lessee's name during the applicable exemption period specified in subsection (2) of this section, the retail sales tax exemption will apply only to amounts due during the exemption period. See also WAC [458-20-103](#) and [458-20-235](#).

(a) **Example 1.** Alex leases a new hybrid vehicle that he registers and titles on December 8, 2008. None of his lease payments will qualify for the exemptions because the vehicle was registered and titled prior to January 1, 2009.

(b) **Example 2.** Beth leases a new clean alternative fuel vehicle that she registers and titles on December 8, 2010. Assuming that the other requirements of the exemptions are met, any amounts due under the lease before January 1, 2011, are exempt from retail sales tax.

(12) **Payments made prior to January 1, 2009.** Any payment made toward the purchase of an otherwise qualifying vehicle prior to the effective date of the exemptions, January 1, 2009, qualifies for the exemptions if:

(a) The vehicle sold is titled and registered on or after January 1, 2009, but before the applicable exemption expires; and

(b) The purchaser takes possession of the vehicle on or after January 1, 2009, but before the applicable exemption expires. See WAC [458-20-103](#), [458-20-197](#), and [458-20-235](#).

**Example.** Greg makes a down payment toward the purchase of a new qualifying hybrid vehicle on November 7, 2008, but does not actually take possession of the vehicle at the dealership lot until January 2, 2009. The vehicle is titled and registered on January 9, 2009. The purchase of the vehicle is exempt from all retail sales taxes.

(13) **Payments made prior to the expiration date of the applicable exemption.** Any payment made toward the purchase of an otherwise qualifying vehicle prior to the expiration date of the applicable exemption does not qualify for the exemption if:

(a) The vehicle sold is titled or registered on or after the expiration date of the exemption; or

(b) The purchaser takes possession of the vehicle on or after the expiration date of the exemption. See WAC [458-20-103](#), [458-20-197](#), and [458-20-235](#).

**Example.** Craig makes a down payment toward the purchase of a new qualifying clean alternative fuel vehicle on November 7, 2010, but does not actually take possession of the vehicle at the dealership lot until January 2, 2011. The vehicle is titled and registered on January 11, 2011. The purchase of the vehicle is subject to retail sales tax and the 0.3 percent retail sales tax imposed by RCW [82.08.020\(3\)](#) on retail sales of motor vehicles.

[Statutory Authority: RCW [82.32.300](#) and [82.01.60](#) [[82.01.060](#)]. 10-17-069, § 458-20-279, filed 8/13/10, effective 9/13/10.  
Statutory Authority: RCW [82.32.300](#) and [82.01.060\(2\)](#). 09-02-051, § 458-20-279, filed 12/31/08, effective 1/31/09.]

RCW 82.08.809

Exemptions — Vehicles using clean alternative fuels. (Expires January 1, 2015.)

(1)(a) The tax levied by RCW 82.08.020 does not apply to sales of new passenger cars, light duty trucks, and medium duty passenger vehicles, which are exclusively powered by a clean alternative fuel.

(b) The tax levied by RCW 82.08.020 does not apply to sales of qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles, which were modified after their initial purchase, with an EPA certified conversion to be exclusively powered by a clean alternative fuel. "Qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles" means vehicles that:

- (i) Are part of a fleet of at least five vehicles, all owned by the same person;
  - (ii) Have an odometer reading of less than thirty thousand miles;
  - (iii) Are less than two years past their original date of manufacture; and
  - (iv) Are being sold for the first time after modification.
- (2) The seller must keep records necessary for the department to verify eligibility under this section.

(3) As used in this section, "clean alternative fuel" means natural gas, propane, hydrogen, or electricity, when used as a fuel in a motor vehicle that meets the California motor vehicle emission standards in Title 13 of the California code of regulations, effective January 1, 2005, and the rules of the Washington state department of ecology.

(4) This section expires July 1, 2015.

[2010 1st sp.s. c 11 § 2; 2005 c 296 § 1.]

Notes:

**Effective date -- 2005 c 296:** "This act takes effect January 1, 2009." [2005 c 296 § 5.]

## RCW 82.08.020

Tax imposed — Retail sales — Retail car rental.

(1) There is levied and collected a tax equal to six and five-tenths percent of the selling price on each retail sale in this state of:

- (a) Tangible personal property, unless the sale is specifically excluded from the RCW 82.04.050 definition of retail sale;
- (b) Digital goods, digital codes, and digital automated services, if the sale is included within the RCW 82.04.050 definition of retail sale;
- (c) Services, other than digital automated services, included within the RCW 82.04.050 definition of retail sale;
- (d) Extended warranties to consumers; and
- (e) Anything else, the sale of which is included within the RCW 82.04.050 definition of retail sale.

(2) There is levied and collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(3) Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(4) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, off-road vehicles as defined in RCW 46.04.365, nonhighway vehicles as defined in RCW 46.09.310, and snowmobiles as defined in RCW 46.04.546.

(5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section must be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection must be deposited in the performance audits of government account created in RCW 43.09.475.

(6) The taxes imposed under this chapter apply to successive retail sales of the same property.

(7) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

[2011 c 171 § 120; 2010 c 106 § 212; (2010 c 106 § 211 expired January 1, 2011); (2009 c 469 § 802 expired January 1, 2011); 2006 c 1 § 3 (Initiative Measure No. 900, approved November 8, 2005); 2003 c 361 § 301; 2000 2nd sp.s. c 4 § 1; 1998 c 321 § 36 (Referendum Bill No. 49, approved November 3, 1998); 1992 c 194 § 9; 1985 c 32 § 1. Prior: 1983 2nd ex.s. c 3 § 62; 1983 2nd ex.s. c 3 § 41; 1983 c 7 § 6; 1982 1st ex.s. c 35 § 1; 1981 2nd ex.s. c 8 § 1; 1977 ex.s. c 324 § 2; 1975-76 2nd ex.s. c 130 § 1; 1971 ex.s. c 281 § 9; 1969 ex.s. c 262 § 31; 1967 ex.s. c 149 § 19; 1965 ex.s. c 173 § 13; 1961 c 293 § 6; 1961 c 15 § 82.08.020; prior: 1959 ex.s. c 3 § 5; 1955 ex.s. c 10 § 2; 1949 c 228 § 4; 1943 c 156 § 5; 1941 c 76 § 2; 1939 c 225 § 10; 1935 c 180 § 16; Rem. Supp. 1949 § 8370-16.]

## Notes:

**Intent -- Effective date -- 2011 c 171:** See notes following RCW 4.24.210.

**Effective date -- 2010 c 106 § 212:** "Section 212 of this act takes effect January 1, 2011." [2010 c 106 § 409.]

**Expiration date -- 2010 c 106 § 211:** "Section 211 of this act expires January 1, 2011." [2010 c 106 § 408.]

**Expiration date -- 2009 c 469 § 802:** "Section 802 of this act expires January 1, 2011." [2009 c 469 § 904.]

**Effective date -- 2009 c 469 §§ 801 and 802:** "Sections 801 and 802 of this act take effect August 1, 2009." [2009 c 469 § 903.]

**Short title -- Effective date -- 2006 c 1 (Initiative Measure No. 900):** See RCW 43.09.471.

**Policies and purposes -- Construction -- Severability -- Part headings not law -- 2006 c 1 (Initiative Measure No. 900):** See notes following RCW 43.09.470.

**Effective dates -- 2003 c 361:** "Sections 301 through 602 of this act take effect July 1, 2003, and sections

201 and 202 of this act take effect August 1, 2003." [2003 c 361 § 703.]

**Findings -- Part headings not law -- Severability -- 2003 c 361:** See notes following RCW 82.36.025.

**Application -- 2000 2nd sp.s. c 4 § 1:** "Section 1 of this act applies to taxes collected on and after December 31, 1999." [2000 2nd sp.s. c 4 § 34.]

**Effective date -- 2000 2nd sp.s. c 4 §§ 1-3, 20:** "Sections 1 through 3 and 20 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately [May 2, 2000]." [2000 2nd sp.s. c 4 § 35.]

**Purpose -- Severability -- 1998 c 321:** See notes following RCW 82.14.045.

**Contingent effective dates -- 1998 c 321 §§ 23-42:** See note following RCW 35.58.410.

**Legislative intent -- 1992 c 194:** "The legislature intends to exempt rental cars from state and local motor vehicle excise taxes, and to impose additional sales and use taxes in lieu thereof. These additional sales and use taxes are intended to provide as much revenue to the funds currently receiving motor vehicle excise tax revenue, including the transportation funds and the general fund, as each fund would have received if the motor vehicle excise tax exemptions had not been enacted. Revenues from these additional sales and use taxes are intended to be distributed in the same manner as the motor vehicle excise tax revenues they replace." [1992 c 194 § 4.]

**Effective dates -- 1992 c 194:** See note following RCW 46.04.466.

**Construction -- Severability -- Effective dates -- 1983 2nd ex.s. c 3:** See notes following RCW 82.04.255.

**Construction -- 1983 c 7:** "This act shall not be construed as affecting any existing right acquired, or liability or obligation incurred under the sections amended in this act, nor any rule, regulation, or order adopted, nor any proceeding instituted, under those sections." [1983 c 7 § 34.]

**Severability -- 1983 c 7:** "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1983 c 7 § 35.]

**Effective dates -- 1983 c 7:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect March 1, 1983, except as follows:

(1) Sections 9 through 22, and 25 through 31 of this act shall take effect June 30, 1983.

(2) Sections 23 and 24 of this act shall take effect January 1, 1984, for taxes first due in 1984 and thereafter.

The department of revenue and the department of licensing shall immediately take necessary steps to ensure that all sections of this act are properly implemented on their effective dates. The additional taxes and tax rate changes imposed under this act shall take effect on the dates designated in this act notwithstanding the date this act becomes law under Article III, section 12 of the state Constitution." [1983 c 7 § 37.]

**Severability -- 1982 1st ex.s. c 35:** "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1982 1st ex.s. c 35 § 47.]

**Effective dates -- Expiration date -- 1982 1st ex.s. c 35:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately, except that sections 28, 29, and 30 of this act shall take effect on May 1, 1982, sections 33 and 34 of this act shall take effect on July 1, 1983, and sections 35 through 38 of this



act shall take effect on January 1, 1983.

Sections 28 and 29 of this act shall expire on July 1, 1983. The additional taxes imposed under this act shall take effect on the dates designated in this act notwithstanding the date this act becomes law under Article III, section 12 of the state Constitution." [1982 1st ex.s. c 35 § 48.]

**Effective date -- 1975-'76 2nd ex.s. c 130:** "This 1976 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately: PROVIDED, That the provisions of this 1976 amendatory act shall be null and void in the event chapter . . . (\*Substitute Senate Bill No. 2778), Laws of 1975-'76 2nd ex. sess. is approved and becomes law." [1975-'76 2nd ex.s. c 130 § 4.]

**\*Reviser's note:** "Substitute Senate Bill No. 2778" failed to become law.

High capacity transportation systems -- Sales and use tax: RCW 81.104.170.

Manufacturers, study: 1994 c 66.

## BUYERS' RETAIL SALES TAX EXEMPTION CERTIFICATE

Not to be used to make purchases for resale

<i>Vendor/Seller</i>	<i>Date</i>		
<i>Street Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>

**I, the undersigned buyer, certify I am making an exempt purchase for the following reason: (*Enter information and/or check applicable box(es)*)**

**1. Nonresident:**

Place of residence: \_\_\_\_\_

Type of proof of residence accepted (drivers license, fishing license, etc) \_\_\_\_\_, including any identification numbers \_\_\_\_\_, and expiration date \_\_\_\_\_.

a.  Tangible personal property other than motor vehicles for use outside Washington by a resident of a state, possession, or province of Canada, with a sales tax rate of less than three percent.

b.  Watercraft (*Include make, model and serial number of vessel*):

Registered or documented with the US Coast Guard or state of principal use and will leave Washington waters within 45 days; **or**

Buyer is a resident of a foreign country. Purchase is for use outside Washington and will leave Washington waters within 45 days.

**Seller's Signature:** \_\_\_\_\_

**2. Electric Vehicles:**

a.  Batteries for electric vehicles or the purchase of labor and services rendered in respect to installing, repairing, altering, or improving electric vehicle batteries.

b.  Tangible personal property that will become a component of electric vehicle infrastructure or the purchase of or charge made for labor and services rendered in respect to installing, constructing, repairing, or improving electric vehicle infrastructure.

**3. Intrastate Air Transport:**

Airplanes for use in providing intrastate air transportation by a commuter air carrier and the sale of repair and related services for these airplanes.

**4. Interstate or Foreign Commerce or Commercial Deep Sea Fishing Business:**

a.  Motor vehicles, trailers and component parts thereof used to transport persons or property *for hire* in interstate or foreign commerce.

b.  Airplanes, locomotives, railroad cars or watercraft and component parts thereof used in transporting persons or property *for hire*.

c.  Labor and services rendered to construct, repair, clean, alter or improve *for hire* carrier property.

d.  Items for use connected with private or common carriers engaged in air, rail or water in interstate or foreign commerce. (**Note: Items consumed in the state are subject to use tax.**)

e.  Fuel to be consumed outside of Washington by a vessel primarily engaged in foreign commerce.

Vessel Name: \_\_\_\_\_

Type of Fuel: \_\_\_\_\_ Quantity: \_\_\_\_\_

f.  Watercraft, component parts, labor and services, and/or diesel fuel used in a qualifying commercial deep sea fishing operation.

Registered Vessel Name: \_\_\_\_\_ Vessel Number: \_\_\_\_\_

**5. Sales to Indians:**

- a.  Tangible personal property or services purchased by Indians or Indian tribes when the goods are delivered to or services provided within Indian country.
- b.  Supplies or services purchased by prime contractors hired by Indian tribes to perform construction in Indian Country when the goods are delivered to or services provided in Indian country.

**6. Other:**

- a.  Prescription items (*describe*): \_\_\_\_\_
- b.  Machinery and equipment (*including labor and services to install*) used directly in generating electricity using solar energy in a system capable of generating not more than 10kW of electricity.
- c.  Biodiesel blend or E85 motor fuel construction and purchases of machinery and equipment for retail facilities.
- d.  Biodiesel blend or E85 motor fuel delivery vehicles and service charges on such vehicles.
- e.  Waste vegetable oil used to produce biodiesel fuel for personal use.
- f.  Equipment rental and purchase of services for use in motion picture and video production.
- g.  Objects of art or cultural value purchased by an artistic or cultural organization.
- h.  Livestock for breeding purposes. Animal Name: \_\_\_\_\_

Animal Type: \_\_\_\_\_ Registered Breed Association: \_\_\_\_\_

- i.  Animal pharmaceuticals purchased by veterinarians (*describe*): \_\_\_\_\_
- j.  Computer hardware, peripherals, software and related installation, used by the aerospace industry.
- k.  Labor, services, and tangible personal property related to the constructing of new buildings by a manufacturer of superefficient airplanes or by a port district, to be leased to a manufacturer of superefficient airplanes.
- l.  Computer hardware, peripherals, software and related installation, purchased by publishers and printers.
- m.  City, County, Tribal, or Inter-Tribal Housing Authorities.
- n.  Tangible personal property for use in a noncontiguous state delivered to the usual receiving terminal of the shipper.

Type of Goods Purchased: \_\_\_\_\_

Point of Delivery: \_\_\_\_\_ Carrier/Agent: \_\_\_\_\_

- o.  Gases and chemicals used by a manufacturer or processor for hire in the production of semiconductor materials.
- p.  Hog fuel used to produce electricity, steam, heat, or biofuel.
- q.  Tangible personal property under the weatherization assistance program.
- r.  Trail Grooming Services.
- s.  Honey bees purchased by an eligible apiarist. Apiarist ID #: \_\_\_\_\_
- t.  Federal credit union purchases.
- u.  Wax, ceramic materials, and labor used to create molds consumed during the process of creating investment castings.
- v.  Sales of ferry vessels to the state or local governmental units, components thereof, and labor and service charges.
- w.  Joint Municipal Utilities Services Authority.

*Continued*

I, the undersigned buyer, understand that by completing and signing this certificate I am certifying that I qualify for the tax-exempt purchase(s) indicated above. I understand that I will be required to pay sales or use tax on purchases that do not qualify for an exemption. In addition, I understand that false or erroneous use of this certificate will result in liability for unpaid tax with interest and may result in additional penalties.

Type of entity:  Individual  Corporation  Sole Proprietor  Partnership  Other (Explain)

Type of Business: \_\_\_\_\_ Tax Registration No.: \_\_\_\_\_

Name of Buyer: \_\_\_\_\_ Title: \_\_\_\_\_

Signature of Buyer: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Seller must maintain a copy. Do not send to Department of Revenue.**

*Each exemption on this form has specific rules (see instructions)*

### **INSTRUCTIONS**

**Buyers must ensure entitlement to the exemption before using this Certificate.** For information regarding exemptions, contact Washington State Department of Revenue Taxpayer Information Center at (360) 705-6705 or 1-800-647-7706 or visit the Department's web site at: [dor.wa.gov](http://dor.wa.gov).

**Line 1a** applies to the purchase of tangible personal property other than motor vehicles for use outside Washington by a resident of a state, possession, or province of Canada with a sales tax rate of less than three percent (e.g. Oregon, Alaska). Reference: RCW 82.08.0273, WAC 458-20-193 (6) (b) and ETA 3054.2009.

**NOTE:** Sales of motor vehicles are not covered by this certificate; please refer to RCW 82.08.0264 and WAC 458-20-177 for certificate and exemption information.

**Line 1b** applies to watercraft purchased by a nonresident for use outside Washington when delivery takes place in Washington. The buyer must provide proof of residency (picture ID) and check the applicable box. By checking the box, the buyer certifies that the vessel will leave Washington State waters within forty-five days. Sellers must examine and document the proof of residency provided by the buyer. **Seller must sign the form.** By signing the form, the seller certifies that the seller has examined and listed the buyer's proof of residency. See WAC 458-20-238 for acceptable proof of residency for corporations, partnerships and limited liability companies. Reference: RCW 82.08.0266, RCW 82.08.02665, and WAC 458-20-238.

**Line 2a** applies to the purchase of electric vehicle batteries or to labor and services rendered in respect to installing, repairing, altering, or improving electric vehicle batteries.

**Line 2b** applies to the purchase of tangible personal property that will become a component of an electric vehicle infrastructure or to labor and services rendered in respect to installing, constructing, repairing, or improving electric vehicle infrastructure. Reference: 2SHB 1481 (Chapter 459, 2009 Laws.)

**Line 3** applies to the purchase of airplanes for use in providing intrastate air transportation by a commuter air carrier and the sale of repair and related services for these airplanes. Commuter air carriers are air carriers holding authority under Title 14, part 298 of the code of federal regulations that carries passengers on at least five round trips per week on at least one route between two or more points. Reference: RCW 82.08.0262 and 82.12.0254.

**Line 4a** applies to the purchase of motor vehicles, or trailers by a business operating or contracting to operate for the holder of a carrier permit issued by the Interstate Commerce Commission. The exemption also applies to component parts and repairs of such carrier property including labor and services rendered in the course of constructing, repairing, cleaning, altering or improving the same. The buyer must attach a list stating make, model, year, serial number, motor number and ICC permit number. Reference: RCW 82.08.0263 and WAC 458-20-174.

**Line 4b** applies to the purchase of airplanes, locomotives, railroad cars, or watercraft for use in conducting interstate or foreign commerce by transporting therein or therewith persons or property *for hire*. The exemption also applies to component parts of such carrier property. Reference: RCW 82.08.0262 and WAC 458-20-175.

**Line 4c** applies to charges for labor and services rendered in the course of constructing, repairing, cleaning, altering or improving carrier property when carrier property is used *for hire*. Reference: RCW 82.08.0262 and WAC 458-20-175.

**Line 4d** applies to the purchase of durable goods or consumables, other than those mentioned in line 4b, for use in connection with interstate or foreign commerce by such businesses. The goods must be for exclusive use while engaged in transporting persons or property in interstate or foreign commerce. The exemption **does not** apply to charges for labor or services in regard to the installing, repairing, cleaning or altering of such property. Although exempt from retail sales tax, materials are subject to use tax if consumed in Washington. Unregistered businesses must attach a list stating the description and quantity of items that will be consumed in Washington and pay use tax to the seller. Reference: RCW 82.08.0261 and WAC 458-20-175.

**Line 4e** applies to fuel consumed outside the territorial waters of the United States by vessels used primarily in foreign commerce. Buyers must list the vessel name, type of fuel and quantity. Reference: RCW 82.08.0261 and WAC 458-20-175.

**Line 4f** applies to the purchase of vessels, component parts, or repairs by persons engaged in commercial deep sea fishing operations outside the territorial waters of the state of Washington. The exemption also applies to the purchase of diesel fuel used in commercial deep or commercial passenger fishing operations when annual gross receipts from the operations are at least five thousand dollars. Reference: RCW 82.08.0262, RCW 82.08.0298, and WAC 458-20-176.

**Line 5a** applies to the purchase of tangible personal property or services by an Indian or Indian tribe. The goods or services must be delivered to, or performed on the reservation. The purchaser must present a tribal membership card, a treaty fishing card, a certificate of enrollment, or a letter from a tribal official. Sellers must document the buyer's name, dollar amount of purchase, tribal affiliation and reservation where delivery is made. Reference: RCW 82.08.0254 and WAC 458-20-192.

**Line 5b** applies to the purchase of consumable supplies, equipment rentals or services by a prime contractor hired by an Indian tribe to perform construction in Indian Country where the goods or services are delivered to, or performed on the reservation. The purchaser must present a construction contract with the tribe or a letter from a tribal official evidencing that they are working directly with the Tribe. Sellers must document the buyer's name, dollar amount of purchase, and reservation where delivery is made. Reference: RCW 82.08.0254 and WAC 458-20-192.

**Line 6a** applies to the purchase by a medical practitioner, chiropractor, nursing home, or hospital of items to be prescribed and used for the treatment of illness or ailments of human beings. To qualify, certain of these items must be prescribed. Reference: RCW 82.08.0281.

**Line 6b** applies to the purchase of qualifying machinery and equipment (and charges for labor to install) used directly in generating electricity using the sun as the principle source of power at a facility capable of generating *not more than ten kilowatts* of electricity. Effective July 1, 2009 – June 30, 2013. Reference: RCW 82.08.963

**Line 6c** applies to the purchase of machinery and equipment and the construction of facilities used directly for the retail sale of biodiesel blend or E85 motor fuel. Reference: RCW 82.08.955.

**Line 6d** applies to the purchase of fuel delivery vehicles and labor and service charges related to such vehicles, provided 75% of the fuel distributed by them is biodiesel blend and E85 motor fuel. Reference: RCW 82.08.955.

**Line 6e** applies to the purchase of waste vegetable oil from restaurants and food processors to produce biodiesel fuel for personal use. The exemption does not apply to persons that are engaged in selling biodiesel fuel at wholesale or retail. Reference: RCW 82.08.0205.

**Line 6f** applies to the rental of production equipment and purchases of production services by motion picture and video production companies. Reference: RCW 82.08.0315 and Motion Picture-Video Production Special Notice, available from the Department.

**Line 6g** applies to the purchase of objects of art or cultural value, and items used in the creation of a work of art (other than tools), or in displaying art objects or presenting artistic or cultural exhibitions or performances by artistic or cultural organizations. Reference: RCW 82.08.031 and WAC 458-20-249.

**Line 6h** applies to the purchase of livestock for breeding purposes. "Livestock" is defined in RCW 16.36.005. The animal must be registered in a nationally recognized breed association. Reference: RCW 82.08.0259 and WAC 458-20-210.

**Line 6i** applies to the purchase of animal pharmaceuticals by veterinarians or farmers for the purpose of administering to an animal raised for sale by a farmer. Animal pharmaceuticals must be approved by the United States Food and Drug Administration or the United States Department of Agriculture. Reference: RCW 82.08.880.

**Line 6j** applies to the purchase of computer hardware, peripherals, and software, and related installation, not otherwise eligible for the M&E exemption, used primarily in development, design, and engineering of aerospace products or in providing aerospace services. Reference: RCW 82.08.975.

**Line 6k** Applies to charges for labor and services rendered in respect to the constructing of new buildings by a manufacturer engaged in the manufacturing of superefficient airplanes or by a port district, to be leased to a manufacturer engaged in the manufacturing of superefficient airplanes. The exemption also applies to sales of tangible personal property that will become a component of such buildings during the course of the constructing, or to labor and services rendered in respect to installing, during the course of constructing, building fixtures not otherwise eligible for the exemption under RCW 82.08.02565(2)(b). Before starting construction the port district must have entered into an agreement with the manufacturer to build such a facility. A person claiming the exemption under this section must file a complete annual report with the Department under RCW 82.32.534. "Superefficient airplane" has the meaning given in RCW 82.32.550. Expires July 1, 2024. Reference: RCW 82.08.980

**Line 6l** applies to the purchase of computer hardware, peripherals, digital cameras, software, and related installation not otherwise eligible for the M&E exemption that is used primarily in the printing or publishing of printed materials. The exemption includes repairs and replacement parts. Reference: RCW 82.08.806.

**Line 6m** applies to all retail purchases of goods and services by City, County, Tribal, or Inter-Tribal Housing Authorities. Reference: RCW 35.82.210.

**Line 6n** applies to the purchase of goods for use in a state, territory or possession of the United States which is not contiguous to any other state such as Alaska, Hawaii, Guam, and American Samoa. For the exemption to apply, the seller must deliver the goods to the usual receiving terminal of the for-hire carrier selected to transport the goods. Reference: RCW 82.08.0269 and WAC 458-20-193 (6) (c).

**Line 6o** applies to the purchase of gases and chemicals by a manufacturer or processor for hire in the production of semiconductor materials. Limited to gases and chemicals used to grow the product, deposit or grow permanent or sacrificial layers on the product, to etch or remove material from the product, to anneal the product, to immerse the product, to clean the product, and other uses where the gases and chemicals come into direct contact with the product during the production process, or gases and chemicals used to clean the chambers and other like equipment in which processing takes place. Reference: RCW 82.08.9651.

**Line 6p** applies to the purchase of hog fuel to produce electricity, steam, heat, or biofuel. Hog fuel is defined as wood waste and other wood residuals including forest derived biomass. Hog fuel does not include firewood or wood pellets. Reference: RCW 82.08.956.

**Line 6q** applies to the purchase of tangible personal property used in the weatherization of residences under the weatherization assistance program. The tangible Personal property must become a component part of the residence. Reference: RCW 82.08.998.

**Line 6r** applies to the purchase of trail grooming services by the state of Washington and nonprofit corporations organized under chapter 24.03 RCW. Trail grooming activities include snow compacting, snow redistribution, or snow removal on state or privately-owned trails. Reference: RCW 82.08.0203.

**Line 6s** applies to all honey bees purchased by an eligible apiarist. An eligible apiarist is a person who: owns or keeps one or more bee colonies; grows, raises, or produces honey bee products for sale at wholesale; and registers their hives/colonies with the WA State Department of Agriculture as required by RCW 15.60.021. Reference: RCW 82.08.0204.

**Line 6t** applies to the purchase of goods and retail services by federally chartered credit unions. Federal credit unions are exempt from state and local consumer taxes under federal law, such as sales tax, lodging taxes and rental car tax. To be exempt, the federal credit union must pay for goods and services directly, such as by a check written on the federal credit union or a credit card issued to the federal credit union. Sellers should keep a copy of the check or credit card used for payment to substantiate the exempt nature of the sale.

Reference: Det. No. 92-239, 17 WTD 32 (1998).

**Line 6u** Applies to the purchase of wax and ceramic materials used to create molds consumed during the process of creating ferrous and nonferrous investment castings used in industrial applications. Also applies to labor or services used to create wax patterns and ceramic shells used as molds in this process. Reference: Substitute Senate Bill 6339 (Chapter 225, Laws of 2010).

**Line 6v** Applies to sales of ferry vessels to the state of Washington or to a local governmental unit in the state of Washington for use in transporting pedestrians, vehicles, and goods within or outside the territorial waters of the state. The exemption also applies to sales of tangible personal property which becomes a component part of such ferry vessels and sales of or charges made for labor and services rendered in respect to constructing or improving such ferry vessels. Reference RCW 82.08.0285.

**Line 6w** Applies to cities, counties, and other municipalities that create a Joint Municipal Services Authority.