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**SENATE BILL 6491**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senator Mullet

1 AN ACT Relating to exempting electric boat motors from sales and  
2 use tax; adding a new section to chapter 82.08 RCW; adding a new  
3 section to chapter 82.12 RCW; creating a new section; and providing  
4 expiration dates.

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

6 NEW SECTION. **Sec. 1.** (1) This section is the tax preference  
7 performance statement for the tax preferences contained in sections 2  
8 and 3, chapter . . ., Laws of 2020 (sections 2 and 3 of this act).  
9 This performance statement is only intended to be used for subsequent  
10 evaluation of these tax preferences. It is not intended to create a  
11 private right of action by any party or to be used to determine  
12 eligibility for preferential tax treatment.

13 (2) The legislature categorizes these tax preferences as ones  
14 intended to induce certain designated behavior by taxpayers, as  
15 provided in RCW 82.32.808(2)(a).

16 (3) It is the legislature's specific public policy objective to  
17 encourage the production and use of electric boat motors in order to  
18 reduce pollution and marine noise.

19 (4) If a review finds that purchases of electric boat motors  
20 increased as a result of the tax preferences contained in sections 2  
21 and 3, chapter . . ., Laws of 2020 (sections 2 and 3 of this act),

1 then the legislature intends to extend the expiration date of these  
2 tax preferences.

3 (5) In order to obtain the data necessary to review these tax  
4 preferences, the joint legislative audit and review committee may  
5 refer to any data collected by the state.

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

8 (1) (a) The tax levied by RCW 82.08.020 does not apply to sales of  
9 integrated electric motors used for the purpose of propelling a  
10 watercraft.

11 (b) Sellers making tax-exempt sales under this section must  
12 obtain from the purchaser an exemption certificate in a form and  
13 manner prescribed by the department. The seller must retain a copy of  
14 the certificate for the seller's files.

15 (2) A person claiming the exemption provided in this section must  
16 file a complete annual report with the department under RCW  
17 82.32.534.

18 (3) Sellers making tax-exempt sales under this section must  
19 report to the department, in a form and manner prescribed by the  
20 department, the amount of tax-exempt sales under this section for the  
21 prior calendar year.

22 (4) "Integrated electric motor" means a main or auxiliary  
23 watercraft propulsion system that contains a motor, battery, charger,  
24 and gear reduction device in a single unit.

25 (5) This section expires January 1, 2030.

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

28 (1) (a) The tax levied under this chapter does not apply to the  
29 use of integrated electric motors used for the purpose of propelling  
30 a watercraft.

31 (b) Sellers making tax-exempt sales under this section must  
32 obtain from the purchaser an exemption certificate in a form and  
33 manner prescribed by the department. The seller must retain a copy of  
34 the certificate for the seller's files.

35 (2) A person claiming the exemption provided in this section must  
36 file a complete annual report with the department under RCW  
37 82.32.534.

1           (3) Sellers making tax-exempt sales under this section must  
2 report to the department, in a form and manner prescribed by the  
3 department, the amount of tax-exempt sales under this section for the  
4 prior calendar year.

5           (4) "Integrated electric motor" has the same meaning as provided  
6 in section 2 of this act.

7           (5) This section expires January 1, 2030.

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