

**RCW 82.08.020 Tax imposed—Retail sales—Retail car rental.
(Effective until January 1, 2026.)**

*** CHANGE IN 2026 *** (SEE 2711-S.SL) ***

*** CHANGE IN 2026 *** (SEE 6113-S.SL) ***

(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:

- (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of cannabis;
- (b) Off-road vehicles as defined in RCW 46.04.365;
- (c) Nonhighway vehicles as defined in RCW 46.09.310; and
- (d) 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) Beginning July 1, 2027, the portion of taxes collected by the state under subsection (1) of this section equal to 0.1 percent of the selling price on each retail sale in this state must be deposited in the multimodal transportation account created in RCW 47.66.070.

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

(8) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020. [2025 c 418 s 3; 2022 c 16 s 145; (2020 c 1 s 7 repealed by 2024 c 232 s 7); 2016 c 1 s 2 (Initiative Measure No. 1366, approved November 3, 2015); 2014 c 140 s 12; 2011 c 171 s 120; 2010 c 106 s 212; (2010 c 106 s 211

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

Reviser's note: The Washington state supreme court ruled in *Lee v. State*, 185 Wn.2d 608, 374 P.3d 157 (2016) that Initiative Measure No. 1366 (chapter 1, Laws of 2016) is in violation of the single-subject rule of Article II, section 19 of the state Constitution and is therefore void in its entirety. This section is published without the amendment contained in Initiative Measure No. 1366.

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Contingent effective date—2016 c 1 s 2 (Initiative Measure No. 1366): "(1) Section 2 of this act takes effect April 15, 2016, unless the contingency in subsection (2) of this section occurs.

(2) If the legislature, prior to April 15, 2016, refers to the ballot for a vote a constitutional amendment requiring two-thirds legislative approval or voter approval to raise taxes as defined by voter-approved Initiatives 960, 1053, and 1185 and section 6 of this act and majority legislative approval for fee increases as required by voter-approved Initiatives 960, 1053, and 1185 and codified in RCW 43.135.055 and further defined by subsection (a) of this section, section 2 of this act expires on April 14, 2016.

(a) [(3)] "Majority legislative approval for fee increases" means only the legislature may set a fee increase's amount and must list it in a bill so it can be subject to the ten-year cost projection and other accountability procedures required by RCW 43.135.031." [2016 c 1 s 3 (Initiative Measure No. 1366, approved November 3, 2015).]

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

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

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

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

Effective date—2009 c 469 ss 801 and 802: "Sections 801 and 802 of this act take effect August 1, 2009." [2009 c 469 s 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 s 703.]

Findings—2003 c 361: See note following RCW 82.38.030.

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

Effective date—2000 2nd sp.s. c 4 ss 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 s 35.]

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

Contingent effective dates—1998 c 321 ss 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 s 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 s 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 s 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 s 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 s 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 s 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 s 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.

RCW 82.08.020 Tax imposed—Retail sales—Retail car rental—Recreational vessels. (Effective January 1, 2026.)

*** CHANGE IN 2026 *** (SEE 2711-S.SL) ***

*** CHANGE IN 2026 *** (SEE 6113-S.SL) ***

(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) (a) 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:

(i) Eleven and nine-tenths percent of the selling price from January 1, 2026, through December 31, 2026; and

(ii) (A) Nine and nine-tenths percent of the selling price beginning January 1, 2027.

(B) The revenue collected under (a) of this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(b) (i) Beginning January 1, 2027, there is levied and collected an additional tax on peer-to-peer car sharing transactions equal to the selling price multiplied by the rate of tax imposed under (a) of this subsection. This subsection (2)(b) applies only to peer-to-peer car sharing transactions where the vehicle owner obtained the shared vehicle as a vehicle for resale using a reseller permit or an approved exemption certificate under RCW 82.04.470. The revenue collected under this subsection (2)(b) must be deposited in the multimodal transportation account created in RCW 47.66.070.

(ii) For purposes of this subsection (2)(b), "peer-to-peer car sharing" has the same meaning as in RCW 46.74A.010. "Peer-to-peer car sharing" does not mean:

(A) "Retail car rental" as defined in RCW 82.08.011; or

(B) "Rental car" as defined in RCW 46.04.465 or 48.115.005.

(3) There is levied and collected an additional tax of five-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) (a) Beginning July 1, 2026, in addition to taxes required under this chapter and chapters 82.12 and 82.49 RCW, there is levied and collected an additional tax of five-tenths of one percent on the selling price, plus trade-in property of like kind, for purchased recreational vessels.

(b) In the case of a lease requiring periodic payments, the tax is imposed on the fair market value of the recreational vessel at the inception of the lease.

(c) The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(d) For purposes of this subsection, "recreational vessel" means a vessel as defined in RCW 88.02.310 that is subject to watercraft excise tax under chapter 82.49 RCW.

(5) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include:

(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of cannabis;

(b) Off-road vehicles as defined in RCW 46.04.365;

(c) Nonhighway vehicles as defined in RCW 46.09.310; and

(d) Snowmobiles as defined in RCW 46.04.546.

(6) 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.

(7) Beginning July 1, 2027, the portion of taxes collected by the state under subsection (1) of this section equal to 0.1 percent of the selling price on each retail sale in this state must be deposited in the multimodal transportation account created in RCW 47.66.070.

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

(9) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020. [2025 c 418 s 3; 2025 c 417 s 201; 2022 c 16 s 145; (2020 c 1 s 7 repealed by 2024 c 232 s 7); 2016 c 1 s 2 (Initiative Measure No. 1366, approved November 3, 2015); 2014 c 140 s 12; 2011 c 171 s 120; 2010 c 106 s 212; (2010 c 106 s 211 expired January 1, 2011); (2009 c 469 s 802 expired January 1, 2011); 2006 c 1 s 3 (Initiative Measure No. 900, approved November 8, 2005); 2003 c 361 s 301; 2000 2nd sp.s. c 4 s 1; 1998 c 321 s 36 (Referendum Bill No. 49, approved November 3, 1998); 1992 c 194 s 9; 1985 c 32 s 1. Prior: 1983 2nd ex.s. c 3 s 62; 1983 2nd ex.s. c 3 s 41; 1983 c 7 s 6; 1982 1st ex.s. c 35 s 1; 1981 2nd ex.s. c 8 s 1; 1977 ex.s. c 324 s 2; 1975-'76 2nd ex.s. c 130 s 1; 1971 ex.s. c 281 s 9; 1969 ex.s. c 262 s 31; 1967 ex.s. c 149 s 19; 1965 ex.s. c 173 s 13; 1961 c 293 s 6; 1961 c 15 s 82.08.020; prior: 1959 ex.s. c 3 s 5; 1955 ex.s. c 10 s 2; 1949 c 228 s 4; 1943 c 156 s 5; 1941 c 76 s 2; 1939 c 225 s 10; 1935 c 180 s 16; Rem. Supp. 1949 s 8370-16.]

Reviser's note: (1) The Washington state supreme court ruled in *Lee v. State*, 185 Wn.2d 608, 374 P.3d 157 (2016) that Initiative Measure No. 1366 (chapter 1, Laws of 2016) is in violation of the single-subject rule of Article II, section 19 of the state Constitution and is therefore void in its entirety. This section is published without the amendment contained in Initiative Measure No. 1366.

(2) This section was amended by 2025 c 417 s 201 and by 2025 c 418 s 3, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—2025 c 417 ss 104, 105, 107-110, 201-206, 301-303, 604, and 903: See note following RCW 46.17.355.

Findings—Intent—2025 c 417: See note following RCW 82.38.030.

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Contingent effective date—2016 c 1 s 2 (Initiative Measure No. 1366): "(1) Section 2 of this act takes effect April 15, 2016, unless the contingency in subsection (2) of this section occurs.

(2) If the legislature, prior to April 15, 2016, refers to the ballot for a vote a constitutional amendment requiring two-thirds legislative approval or voter approval to raise taxes as defined by voter-approved Initiatives 960, 1053, and 1185 and section 6 of this act and majority legislative approval for fee increases as required by voter-approved Initiatives 960, 1053, and 1185 and codified in RCW 43.135.055 and further defined by subsection (a) of this section, section 2 of this act expires on April 14, 2016.

(a) [(3)] "Majority legislative approval for fee increases" means only the legislature may set a fee increase's amount and must list it in a bill so it can be subject to the ten-year cost projection and other accountability procedures required by RCW 43.135.031." [2016 c 1 s 3 (Initiative Measure No. 1366, approved November 3, 2015).]

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

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

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

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

Effective date—2009 c 469 ss 801 and 802: "Sections 801 and 802 of this act take effect August 1, 2009." [2009 c 469 s 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 s 703.]

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

Effective date—2000 2nd sp.s. c 4 ss 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 s 35.]

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

Contingent effective dates—1998 c 321 ss 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 s 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 s 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 s 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 s 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 s 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 s 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 s 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.