

Special Notice

Intended audience: retailers of marine equipment and vessels, consumers

July 23, 2019

New electric vessel and marine propulsion system tax exemption

Beginning Aug. 1, 2019, the law provides a sales and use tax exemption for:

- new battery-powered electric marine propulsion systems with continuous power greater than 15 kW
- new vessels equipped with battery-powered electric marine propulsion systems with continuous power greater than 15 kW

The exemption expires July 1, 2025.

How is the exemption claimed?

- A buyer of qualifying propulsion systems or vessels must complete a [Buyer's Retail Sales Tax Exemption Certificate](#) and provide it to the seller.
- The seller will report the exempt sale by taking the **Sales of New Electric Vessels and Marine Propulsion Systems** deduction from the Retail Sales tax classification.

Definitions

Battery-powered electric marine propulsion system means a fully electric outboard or inboard motor used by a vessel whose sole source of propulsive power is the energy stored in the battery packs. The term includes required accessories such as throttles, displays, and battery packs.

Vessel includes every watercraft, other than a seaplane, used or capable of being used as a means of transportation on the water.

More information

- [Engrossed Second Substitute House Bill \(E2SHB\) 2042](#)
- Tax Incentives page under [Renewable Energy/Green Incentives](#)

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