

Special Notice

Intended audience: retailers of qualifying equipment, public transportation providers, and operators of electric vehicle infrastructure

July 23, 2019

Tax exemptions on electric vehicle infrastructure, electric vehicle batteries and fuel cells, and zero emissions buses

Beginning July 28, 2019, a new law makes several changes to the sales tax exemption for electric vehicle infrastructure, and the leasehold excise tax exemption.

What's new?

- sales tax exemption extended to July 1, 2025
- use tax exemption effective Aug. 1, 2019 through July 1, 2025
- includes the sale of zero emissions buses
- includes the sale of fuel cells for electric vehicles
- adds hydrogen fueling stations that provide hydrogen for fuel cell electric vehicles and renewable hydrogen production facilities to the definition of electric vehicle infrastructure

What is it for?

- the sale or use of batteries or fuel cells for electric vehicles, including batteries or fuel cells sold as a component of an electric bus at the time of the vehicle's sale
- the sale of/charge for labor and services for installing, repairing, altering, or improving electric vehicle batteries or fuel cells
- the sale of/charge for labor and services for installing, constructing, repairing, or improving battery or fuel cell electric vehicle infrastructure, including hydrogen fueling stations
- the sale of tangible personal property that will become a component of a battery or fuel cell electric vehicle infrastructure

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- the sale of zero emissions buses

How is the exemption reported?

- A seller must receive a completed [Buyer's Retail Sales Tax Exemption Certificate](#) from the buyer of qualifying items.
- The seller will report the exempt sale by taking a **Sales of zero emissions buses, batteries, fuel cells, and infrastructure for electric vehicles** deduction from retail sales tax.

Leasehold excise tax exemption

An exemption from leasehold excise tax is allowed on leases to tenants of public lands for the purpose of installing, maintaining, and operating electric vehicle infrastructure.

Definitions

Battery exchange station means a fully automated facility that will enable an electric vehicle with a swappable battery to enter a drive lane and exchange the depleted battery with a fully charged battery through a fully automated process. The facility must meet or exceed any standards, codes, and regulations in chapter 19.28 RCW and consistent with rules adopted under RCW 19.27.540.

Electric vehicle infrastructure means structures, machinery, and equipment necessary and integral to support an electric vehicle. This includes battery charging stations, rapid charging stations, battery exchange stations, fueling stations that provide hydrogen for fuel cell electric vehicles, and renewable hydrogen production facilities.

Rapid charging station means an industrial grade electrical outlet that allows for faster recharging of electric vehicle batteries through higher power levels. The outlet must meet or exceed any standards, codes, and regulations in chapter 19.28 RCW and be consistent with rules adopted under RCW 19.27.540.

Renewable hydrogen means hydrogen produced using renewable resources both as the source for hydrogen and the source for the energy input into the production process.

Renewable resource means any of the following:

- water
- wind
- solar energy
- geothermal energy
- renewable natural gas
- renewable hydrogen
- wave, ocean, or tidal power

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- biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests
- biomass energy

Zero emissions bus means a bus that emits no exhaust gas from the onboard source of power, other than water vapor.

More information

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