

Washington State's Alt Fuel Tax Credits & Incentives

State Sales Tax Exemption

Washington State exempts state and motor vehicle sales tax for newly purchased or leased vehicles powered by electricity, natural gas, propane autogas or hydrogen. **This tax exemption will expire on May 31, 2018.**

The tax exemption applies to:

- Vehicles that are powered only by alternative fuels, or plug-in electric vehicles that can travel a minimum of 30 miles on battery power.
- Vehicles that have a base model price up to \$42,500. The tax exemption only applies to \$32,000 of the vehicle's selling price, so buyers must pay tax on any amount between \$32,001 and \$42,500.

As an additional sweetener, car buyers can take advantage of a federal tax credit of \$2,500 to \$7,500 for fully-electric and plug-in hybrid vehicles.

State Contract For Public Fleets

Public fleets can use Washington State's contract to easily procure a wide variety of light- and heavy-duty vehicles at a lower cost. Fleets can choose from a range of all-electric and plug-in hybrid electric vehicles and motorcycles. For heavy-duty selections, fleets are able to purchase all-electric Proterra buses, BYD refuse trucks, and other fleet equipment. **See the back page for a more detailed list of available vehicles.**

No charging infrastructure? No problem. There's even a state contract for electric vehicle supply equipment (EVSE).

To learn more, go to the Washington State Department of Enterprise Services' website: www.des.wa.gov.

Commercial Vehicle Tax Credit

Washington State provides a tax credit for businesses that purchase a new alternative fuel commercial vehicle. The tax credit is up to 50% of the incremental cost of the new vehicle; however there is a maximum amount per vehicle based on the vehicle's gross weight rating (GVWR).

Qualified vehicles must be powered primarily by natural gas, propane, hydrogen, dimethyl ether, or electricity.

This tax credit also applies to vehicles converted to run on clean alternative fuels, as long as the vehicle is being sold for the first time after modification. The vehicle must be modified with a U.S. Environmental Protection Agency-certified conversion, be less than two years old and have less than 30,000 miles. Converted vehicles are eligible for credits equal to 30% of the commercial vehicle conversion cost, up to \$25,000. Each entity may claim up to \$250,000 or credits for 25 vehicles per year.

OTHER NOTABLE TAX INCENTIVES

Biodiesel

Used cooking oil turned into biodiesel is exempt from state sales & use tax.

Natural Gas

Natural gas when used for transportation is exempt from all state and local sales & use tax.

More info: www.afdc.energy.gov/laws.

GVWR	Maximum Credit Per Vehicle
Up to 14,000 lbs	\$25,000
14,001-26,500 lbs	\$50,000
Over 26,500 lbs	\$100,000

Electric Vehicle Infrastructure and Battery Tax Exemptions

Public lands used for installing, maintaining, and operating electric vehicle (EV) infrastructure are exempt from leasehold excise taxes until 2020. Additionally, the state sales and use taxes do not apply to plug-in electric vehicle batteries; labor and services for installing, repairing, altering, or improving batteries and EV infrastructure; and the sale of property used for EV infrastructure.

Utility Electric Vehicle Supply Equipment Incentive

Washington now allows utilities to collect an additional 2% return on investment (plus their standard rate of return) for the installation of electric vehicle supply equipment (EVSE) for ratepayers. Eligible EVSE must be located where vehicles are likely to park for two hours or longer. Any EVSE installment cannot increase a ratepayer's costs by more than 0.25%. Once the charging equipment has fully depreciated, the utility is allowed to hand over ownership of the charging equipment to the property owner.

Vehicles Available On The Washington State Contract

All-Electric Vehicles

- BMW i3
- BYD E6
- BYD Refuse Truck
- BYD Cab and Chassis
- Chevrolet Bolt
- Ford Focus
- Mitsubishi i-MiEV
- Nissan Leaf
- Polaris GEM
- Polaris Ranger
- Tesla Model 3
- Zero Motorcycle

Electric Buses

- Green Power
- Proterra
- BYD
- Complete Coach Works

Plug-In Hybrid Electric Vehicles

- Chevrolet Volt
- Chrysler Pacifica
- Ford C-Max Energi
- Mitsubishi Outlander
- Hyundai Sonata
- Toyota Prius

Hybrid Vehicles

- Chevrolet Malibu
- Ford C-Max
- Ford Fusion
- Honda Accord
- Hyundai Sonata
- Toyota Camry
- Toyota Highlander
- Toyota Prius
- Toyota Rav 4

ADA Electric Vans

- Zenith
- Schetky NW-Phoenix Motors