

Washington State's Alt Fuel Tax Credits & Incentives

State Sales Tax Exemption

Washington State currently exempts state and motor vehicle sales tax for newly purchased or leased vehicles powered by electricity, natural gas, propane autogas or hydrogen. 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 cost 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 federal tax incentives, such as the \$2,500 to \$7,500 federal tax credit for battery and plug-in electric vehicles.

OTHER NOTABLE TAX INCENTIVES

Biodiesel

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

EV Infrastructure

Electric vehicle supply equipment on public property is exempt from leasehold excise 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.

State Contract For Public Fleets

Public fleets can use Washington State's contract to procure a wide variety of light- and heavy-duty electric vehicles, plug-in hybrids, and hybrids at a lower cost. Electric vehicles offered include Zero Motorcycles, Nissan LEAF, BMW i3, Chevy Bolt, Tesla 3 and many more! Plug-in hybrids include the Chevy Volt, Toyota Prius, and the Ford C-Max Energi. For heavy-duty selections, fleets are able to purchase all-electric Proterra buses, BYD refuse trucks, and other fleet equipment.

No charging infrastructure? No problem. The state contract covers hybrid vehicles from the Toyota Highlander to the Ford Fusion. 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.

GVWR	Maximum Credit Per Vehicle
Up to 14,000 lbs	\$5,000
14,001-26,500 lbs	\$10,000
Over 26,500 lbs	\$20,000