

RCW 82.08.0207 Exemptions—Adapted housing—Disabled veterans—

Construction. (1) An eligible purchaser who has paid the tax levied by RCW 82.08.020 on materials incorporated into, and labor and services rendered in respect to, adapted housing is eligible for an exemption from all or a portion of those taxes in the form of a remittance. The total amount of a remittance that an eligible purchaser may receive under this section and/or RCW 82.12.0207 is limited to two thousand five hundred dollars for each adapted housing project. The remittance under this section is for the state portion of the sales tax only.

(2) (a) An eligible purchaser claiming an exemption from tax in the form of a remittance under this section must pay the tax imposed by RCW 82.08.020 on such purchases eligible for the remittance. The eligible purchaser may then apply to the department for remittance of all or part of the tax paid under RCW 82.08.020 on such purchases, subject to the limits in subsections (1) and (3) of this section. As part of the application, the eligible purchaser must provide proof of eligibility for the remittance in the form of a copy of the grant award letter from the United States department of veterans affairs, construction contracts for adapted housing, and invoices for purchases qualifying for a remittance under this section.

(b) An eligible purchaser may not apply for more than one remittance under this section per calendar quarter.

(c) The department must on a quarterly basis remit exempted amounts to eligible purchasers whose applications were approved by the department during the previous quarter.

(3) (a) The remittance under this section is only available on a first-in-time basis. The department must keep a running total of all approved remittances under this section and/or RCW 82.12.0207 during each fiscal year. The department may not allow any remittance that would cause the total amount of remittances allowed under this section and/or RCW 82.12.0207 to exceed one hundred twenty-five thousand dollars in any fiscal year, unless additional amounts are appropriated for this specific purpose.

(b) The department must provide notification on its website monthly of the amount remaining before the statewide annual limit in this subsection is reached.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Adapted housing" means a construction project that has been approved by the United States department of veterans affairs as part of the specially adapted housing grant program or the special housing adaptation grant program to modify or construct a home so that it can accommodate the needs of a disabled or severely disabled veteran.

(b) "Eligible purchaser" means a disabled or severely disabled veteran who has received either a specially adapted housing grant or a special housing adaptation grant from the United States department of veterans affairs.

(c) "Special housing adaptation" has the same meaning, eligibility requirements, and restrictions as "special home adaptation grant" in 38 C.F.R. 3.809a, as of July 1, 2016.

(d) "Specially adapted housing" has the same meaning, eligibility requirements, and restrictions as in 38 C.F.R. 3.809, as of July 1, 2016. [2017 c 176 s 2.]

Reviser's note: The tax preference enacted in section 2, chapter 176, Laws of 2017 expires January 1, 2028, pursuant to the automatic expiration date in RCW 82.32.805(1)(a).

Findings—Intent—2017 c 176: "(1) (a) The legislature finds that it is important to recognize the service of veterans and to acknowledge the continued sacrifice of those veterans who have service-connected physical disabilities. The legislature further finds that many disabled veterans often need customized, accessible housing in order to be self-sufficient and to maintain a high quality of life. The legislature further finds that disabled veterans have higher poverty rates than disabled nonveterans. The legislature further finds that the federal government provides a grant to assist disabled veterans with the costs of constructing, modifying, or adapting their homes, but that thousands of these dollars end up covering the sales or use tax owed on these construction projects. The legislature further finds that this results in a shift of cost to the same population of disabled veterans whose burden the federal grant program is intended to ease.

(b) It is the legislature's intent to provide specific financial relief for disabled veterans by providing a sales and use tax exemption in the form of a remittance for the construction of adapted housing for disabled veterans who have been awarded a federal grant to modify their homes.

(2) (a) This section is the tax preference performance statement for the tax preferences contained in this act. This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(b) The legislature categorizes the tax preference in section 2 of this act as one intended to provide tax relief for certain businesses or individuals, as indicated in RCW 82.32.808(2)(e).

(c) To measure the effectiveness of this act in achieving the specific public policy objective described in subsection (1) of this section, the joint legislative audit and review committee must, at minimum, evaluate the following:

(i) The number of qualifying adapted housing projects, as reported to the department of revenue through the remittance application process on an annual basis; and

(ii) The total amount of adapted housing grants awarded to veterans, as reported by the United States department of veterans affairs.

(d) In addition to the data sources described under this section, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under this subsection.

(e) The joint legislative audit and review committee must review the tax preferences provided in this act as part of its normal review process of tax preferences." [2017 c 176 s 1.]

Application—2017 c 176: "This act applies to sales or uses that occur on or after August 1, 2017." [2017 c 176 s 5.]