

Electric Vehicle Batteries and Charging Stations

JLARC Staff 2017 Tax Preference Performance Evaluation

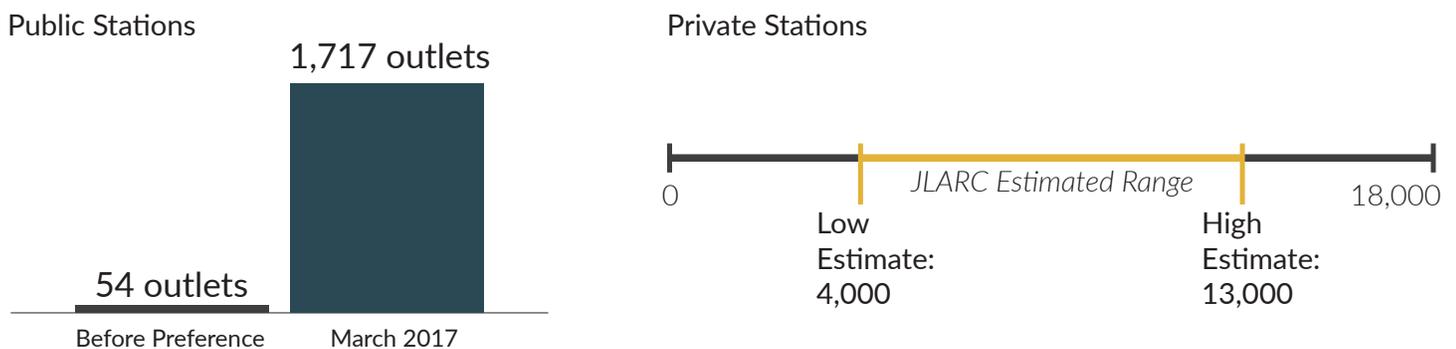
Sales and Use, Leasehold Excise Tax Preferences

Objectives (stated)	Results
Develop convenient, cost-effective electric vehicle infrastructure in Washington.	Unclear. Number of charging stations has increased, but it may not be due to the preferences. Also, the Legislature did not set targets for the number of charging stations needed.
Encourage transition to greater use of electric vehicles.	Unclear. Enabling people to conveniently recharge an electric vehicle battery may encourage vehicle use, but it is unknown the extent to which the preferences may have contributed.

Three preferences with mixed impact

Type	Focus	Use and Impact
Sales & Use	Battery sales, installation, or repair Battery “lease and swap” option	Limited use and impact
Sales & Use	Charging station parts, construction, installation, or repair	Used, impact on charging station growth unclear
Leasehold Excise Tax	Businesses that use public property to build or operate electric vehicle charging stations	May be used, but no data exists, so impact unclear

Increase in stations since preference enacted



Source: U.S. Department of Energy EVSE data through 3/22/17.

Source: JLARC staff estimate based on registered EVs and PHEVs as of 6/30/16.

Legislative Auditor recommendations: Clarify

Prior to the January 2020 expiration date:

- 1. Sales and use tax exemption for electric vehicle battery sales and installation: Clarify** if limited use is consistent with legislative expectations.
- 2. Sales and use tax for electric vehicle charging stations: Clarify** to set a target for the number of new electric vehicle charging stations needed to meet legislative objectives.
- 3. Leasehold excise tax preference: Clarify** to include reporting that will help determine the direct beneficiaries and the extent to which they benefit.

The complete report is on the JLARC web site.

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