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HOUSE BILL 2282

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State of Washington

52nd Legislature

1992 Regular Session

By Representatives Haugen and Ferguson

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1 AN ACT Relating to taxes imposed on the rental of motor vehicles;  
2 adding a new chapter to Title 82 RCW; prescribing penalties; and  
3 providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** Unless the context clearly requires  
6 otherwise, the definitions in this section apply throughout this  
7 chapter.

8 (1) "Department" means the department of revenue.

9 (2) "Vehicle rental" means the rental of a vehicle for forty-five  
10 consecutive days or less.

11 (3) "Vehicle" means passenger cars, trucks, truck tractors, utility  
12 trailers, motorcycles, and motor homes.

13 (4) "Vehicle rental tax" means an excise tax imposed by any state  
14 expressly on the rental of a vehicle to be paid by the renter.

1 (5) "Rental vehicle dealer" means any person engaged in this state  
2 in the business of renting vehicles to others.

3 (6) "Renter" means any person entering into a contract for the  
4 rental of a vehicle.

5 NEW SECTION. **Sec. 2.** There is levied and there shall be  
6 collected on each vehicle rental a tax equal to one dollar or the  
7 vehicle rental tax imposed by the renter's state of residency,  
8 whichever is greater.

9 NEW SECTION. **Sec. 3.** The tax imposed by this chapter shall be  
10 paid by the renter to the rental vehicle dealer, and each vehicle  
11 rental dealer shall collect from the renter the amount of the tax  
12 imposed by this chapter. The tax so collected by the rental vehicle  
13 dealer shall be deemed to be held in trust by the vehicle rental dealer  
14 until paid to the department. Any vehicle rental dealer who  
15 appropriates or converts the tax collected to his or her own use or to  
16 any use other than the payment of the tax to the extent that the money  
17 required to be collected is not available for payment on the due date  
18 as prescribed in this chapter shall be guilty of a gross misdemeanor.

19 In case any rental vehicle dealer fails to collect the tax imposed  
20 by this chapter or having collected the tax, fails to pay it to the  
21 department in the manner prescribed, whether such failure is the result  
22 of rental vehicle dealer's own acts or the result of acts or conditions  
23 beyond his or her control, shall, nevertheless, be personally liable to  
24 the state for the amount of the tax.

25 The amount of tax, until paid by the renter to the rental vehicle  
26 dealer or to the department, shall constitute a debt from the renter to  
27 the rental vehicle dealer and any rental vehicle dealer who fails or  
28 refuses to collect the tax as required with intent to violate the

1 provisions of this chapter or to gain some advantage or benefit, either  
2 direct or indirect, and any renter who refuses to pay any tax due under  
3 this chapter shall be guilty of a misdemeanor. The tax required by  
4 this chapter to be collected by the rental vehicle dealer shall be  
5 stated separately from the rental charge in any invoice or other  
6 document of rental.

7 NEW SECTION. **Sec. 4.** Periodically, but no less frequently  
8 than annually, the department shall publish a schedule of states  
9 imposing a vehicle rental tax and the rate of tax applicable in each  
10 state. The department shall make the schedule available to all rental  
11 vehicle dealers. Rental vehicle dealers who rely in good faith on the  
12 information contained in the schedule shall not be liable for failure  
13 to collect the proper amount of tax caused by any inaccurate  
14 information contained in the schedule. Vehicle rental dealers shall  
15 prominently display a copy of a current schedule at a location near the  
16 consumer point of purchase for the information of those required to pay  
17 the tax imposed by this chapter.

18 NEW SECTION. **Sec. 5.** The taxes collected by the department  
19 under this chapter shall be deposited by the treasurer into the local  
20 highway heritage account created in section 7 of this act.

21 NEW SECTION. **Sec. 6.** The department shall adopt such rules as  
22 may be necessary to enforce and administer the provisions of this  
23 chapter. In addition to such other matters as the department may deem  
24 necessary to include in rules to be adopted under this section, such  
25 rules shall contain an appropriate definition for the term "state of  
26 residency" as used in this chapter. Chapter 82.32 RCW applies to the

1 administration, collection, and enforcement of the taxes imposed by  
2 this chapter.

3 NEW SECTION. **Sec. 7.** A separate account is hereby created in  
4 the state treasury to be known as the local highway heritage account.  
5 All receipts from the tax levied by section 2 of this act shall be  
6 deposited in the account. Moneys in the account may be spent only  
7 after appropriation. Revenue from the local highway heritage account  
8 shall be appropriated to the department of transportation to provide  
9 grants to incorporated cities and towns with a population of twenty  
10 thousand or less and to counties. Money from the account shall be used  
11 exclusively to provide information regarding historical or cultural  
12 sites and significant natural features visible from or related to state  
13 highways, county roads, or city streets, including informational and  
14 directional signs, costs of preparing or constructing turnoffs or  
15 parking areas expressly for exhibition of such signs, and costs of  
16 preparing or improving the visibility of the historical or natural  
17 feature to be highlighted. Grants to counties may be used only for  
18 projects on county roads and state highways outside federally  
19 designated urban areas.

20 NEW SECTION. **Sec. 8.** This act shall take effect July 1, 1992.

21 NEW SECTION. **Sec. 9.** Sections 1 through 7 of this act shall  
22 constitute a new chapter in Title 82 RCW.