
Finance Committee

ESSB 6737

Brief Description: Providing an exemption from property tax for aircraft used to provide air ambulance services.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Marr, Brown and McCaslin).

Brief Summary of Engrossed Substitute Bill

- Provides a property tax exemption and aircraft excise tax exemption for aircraft owned by a nonprofit that is used exclusively for emergency medical transportation services and for private aircraft used exclusively for Medivac flights from islands in Washington.

Hearing Date: 2/24/10

Staff: Susan Howson (786-7142).

Background:

Under current law and depending on the type of aircraft, aircraft are subject to either the property tax or the aircraft excise tax. General aviation aircrafts (all aircraft except those owned by the government or by commercial airlines) must pay the aircraft excise tax, but are exempt from the personal property tax. This tax, and in-lieu of property tax, consists of an annual fee based on the type of aircraft:

- single engine, fixed wing: \$50;
- small, multi-engine, fixed wing: \$65;
- large, multi-engine, fixed wing: \$80;
- turboprop, multi-engine, fixed wing: \$100;
- turbojet, multi-engine, fixed wing: \$125;
- helicopters: \$75; and
- sailplanes, lighter-than-air, and home-built: \$20.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Aircraft that are exempt from the aircraft excise tax and operate in an airplane company, which transports people or property for compensation, are subject to personal property tax.

Summary of Bill:

A property tax exemption and an aircraft excise tax exemption are provided for: (1) aircraft owned by a nonprofit exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) that is exclusively used to provide emergency medical transportation services; and (2) private aircraft exclusively used for Medivac flights from islands in Washington State.

Appropriation: None.

Fiscal Note: Requested on February 18, 2010.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.