

SENATE BILL REPORT

SB 6737

As Reported by Senate Committee On:
Ways & Means, February 9, 2010

Title: An act relating to providing an exemption from property tax for aircraft used to provide air ambulance services for nonprofits.

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

Sponsors: Senators Marr, Brown and McCaslin.

Brief History:

Committee Activity: Ways & Means: 2/02/10, 2/09/10 [DPS, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6737 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hewitt, Hobbs, Kline, McDermott, Murray, Oemig, Parlette, Pridemore, Regala and Rockefeller.

Minority Report: That it be referred without recommendation.

Signed by Senator Pflug.

Staff: Dianne Criswell (786-7433)

Background: Under Washington law, aircraft are subject to either the property tax or the aircraft excise tax, depending on the type of aircraft.

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, an 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;

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- Turboprop multi-engine, fixed wing: \$100;
- Turbojet multi-engine, fixed wing: \$125;
- Helicopters: \$75; and
- Sailplanes, lighter-than-air, home-built: \$20.

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 (Recommended Substitute): A property tax exemption and an aircraft excise tax exemption are provided for aircraft owned by a nonprofit exempt from federal income tax under 26 U.S.C Sec. 501(c)(3) that is used to provide emergency medical transportation services.

For the property tax exemption, the exemption only applies if the exemption benefits the nonprofit organization owning the aircraft.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): An "exclusive use" requirement is added for the aircraft excise tax exemption.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.