

SENATE BILL REPORT

ESSB 6737

As Amended by House, March 19, 2010

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

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 History:

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

Passed Senate: 2/15/10, 45-1.

First Special Session: Passed Senate: 3/16/10, 41-1.

Passed House: 3/19/10, 88-4.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6737 be substituted therefore, 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:

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- 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, 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 Engrossed Substitute 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: 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.

House Amendment(s): Limits the exemptions to aircraft that are owned by a nonprofit organization that is exempt from federal income taxation under 26 U.S.C. Sec. 501(c)(3) and are exclusively used to provide emergency medical transportation services (removes exemptions for private aircraft exclusively used for medivac flights from islands in Washington). Clarifies that the exemptions in the bill apply to excise taxes imposed or property taxes set for collection beginning in 2011 and thereafter. Expires the exemptions on January 1, 2020.