
SUBSTITUTE HOUSE BILL 1225

State of Washington 61st Legislature 2009 Regular Session

By House Transportation (originally sponsored by Representatives Lias, Rodne, Upthegrove, Roach, Simpson, and Rolfes)

READ FIRST TIME 02/17/09.

1 AN ACT Relating to the effect of special fuel taxes on publicly
2 owned or operated urban passenger transportation systems; and amending
3 RCW 82.38.080.

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

5 **Sec. 1.** RCW 82.38.080 and 2008 c 237 s 1 are each amended to read
6 as follows:

7 (1) There is exempted from the tax imposed by this chapter, the use
8 of fuel for:

9 (a) Street and highway construction and maintenance purposes in
10 motor vehicles owned and operated by the state of Washington, or any
11 county or municipality;

12 (b) Publicly owned firefighting equipment;

13 (c) Special mobile equipment as defined in RCW 46.04.552;

14 (d) Power pumping units or other power take-off equipment of any
15 motor vehicle which is accurately measured by metering devices that
16 have been specifically approved by the department or which is
17 established by any of the following formulae:

18 (i) Pumping propane, or fuel or heating oils or milk picked up from
19 a farm or dairy farm storage tank by a power take-off unit on a

1 delivery truck, at a rate determined by the department: PROVIDED, That
2 claimant when presenting his or her claim to the department in
3 accordance with this chapter, shall provide to the claim, invoices of
4 propane, or fuel or heating oil delivered, or such other appropriate
5 information as may be required by the department to substantiate his or
6 her claim;

7 (ii) Operating a power take-off unit on a cement mixer truck or a
8 load compactor on a garbage truck at the rate of twenty-five percent of
9 the total gallons of fuel used in such a truck; or

10 (iii) The department is authorized to establish by rule additional
11 formulae for determining fuel usage when operating other types of
12 equipment by means of power take-off units when direct measurement of
13 the fuel used is not feasible. The department is also authorized to
14 adopt rules regarding the usage of on board computers for the
15 production of records required by this chapter;

16 (e) Motor vehicles owned and operated by the United States
17 government;

18 (f) Heating purposes;

19 (g) Moving a motor vehicle on a public highway between two pieces
20 of private property when said moving is incidental to the primary use
21 of the motor vehicle;

22 (h) Transportation services for persons with special transportation
23 needs by a private, nonprofit transportation provider regulated under
24 chapter 81.66 RCW;

25 (i) Vehicle refrigeration units, mixing units, or other equipment
26 powered by separate motors from separate fuel tanks;

27 (j) The operation of a motor vehicle as a part of or incidental to
28 logging operations upon a highway under federal jurisdiction within the
29 boundaries of a federal area if the federal government requires a fee
30 for the privilege of operating the motor vehicle upon the highway, the
31 proceeds of which are reserved for constructing or maintaining roads in
32 the federal area, or requires maintenance or construction work to be
33 performed on the highway for the privilege of operating the motor
34 vehicle on the highway; and

35 (k) Waste vegetable oil as defined under RCW 82.08.0205 if the oil
36 is used to manufacture biodiesel.

37 (2) There is exempted from the tax imposed by this chapter the

1 removal or entry of special fuel under the following circumstances and
2 conditions:

3 (a) If it is the removal from a terminal or refinery of, or the
4 entry or sale of, a special fuel if all of the following apply:

5 (i) The person otherwise liable for the tax is a licensee other
6 than a dyed special fuel user or international fuel tax agreement
7 licensee;

8 (ii) For a removal from a terminal, the terminal is a licensed
9 terminal; and

10 (iii) The special fuel satisfies the dyeing and marking
11 requirements of this chapter;

12 (b) If it is an entry or removal from a terminal or refinery of
13 taxable special fuel transferred to a refinery or terminal and the
14 persons involved, including the terminal operator, are licensed; and

15 (c)(i) If it is a special fuel that, under contract of sale, is
16 shipped to a point outside this state by a supplier by means of any of
17 the following:

18 (A) Facilities operated by the supplier;

19 (B) Delivery by the supplier to a carrier, customs broker, or
20 forwarding agent, whether hired by the purchaser or not, for shipment
21 to the out-of-state point;

22 (C) Delivery by the supplier to a vessel clearing from port of this
23 state for a port outside this state and actually exported from this
24 state in the vessel.

25 (ii) For purposes of this subsection (2)(c):

26 (A) "Carrier" means a person or firm engaged in the business of
27 transporting for compensation property owned by other persons, and
28 includes both common and contract carriers; and

29 (B) "Forwarding agent" means a person or firm engaged in the
30 business of preparing property for shipment or arranging for its
31 shipment.

32 (3) Notwithstanding any provision of law to the contrary, every
33 privately owned urban passenger transportation system and carriers as
34 defined by chapters 81.68 and 81.70 RCW shall be exempt from the
35 provisions of this chapter requiring the payment of special fuel taxes.
36 For the purposes of this section "privately owned urban passenger
37 transportation system" means every privately owned transportation
38 system(~~(, publicly or privately owned,~~)) having as its principal source

1 of revenue the income from transporting persons for compensation by
2 means of motor vehicles (~~(and/or)~~) or trackless trolleys, each having
3 a seating capacity for over fifteen persons over prescribed routes in
4 such a manner that the routes of such motor vehicles (~~(and/or)~~) or
5 trackless trolleys, either alone or in conjunction with routes of other
6 such motor vehicles (~~(and/or)~~) or trackless trolleys subject to routing
7 by the same transportation system, shall not extend for a distance
8 exceeding twenty-five road miles beyond the corporate limits of the
9 county in which the original starting points of such motor vehicles are
10 located: PROVIDED, That no refunds or credits shall be granted on
11 special fuel used by any privately owned urban transportation vehicle,
12 or vehicle operated pursuant to chapters 81.68 and 81.70 RCW, on any
13 trip where any portion of (~~said~~) the trip is more than twenty-five
14 road miles beyond the corporate limits of the county in which (~~said~~)
15 the trip originated.

16 (4) Every publicly owned and operated urban passenger
17 transportation system is exempt from the provisions of this chapter
18 that require the payment of special fuel taxes. For the purposes of
19 this subsection, "publicly owned and operated urban passenger
20 transportation systems" include public transportation benefit areas
21 under chapter 36.57A RCW, metropolitan municipal corporations under
22 chapter 36.56 RCW, city-owned transit systems under chapter 35.58 RCW,
23 county public transportation authorities under chapter 36.57 RCW,
24 unincorporated transportation benefit areas under chapter 36.57 RCW,
25 and regional transportation authorities under chapter 81.112 RCW.

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