

---

**Finance Committee**

---

**ESB 5430**

**Brief Description:** Modifying the distribution and use of aircraft excise taxes.

**Sponsors:** Senators Hobbs, King, Eide, Honeyford, Schlicher and Cleveland.

**Brief Summary of Engrossed Bill**

- Directs all revenues from the aircraft excise tax to be deposited into the aeronautics account and to be used for state grants to airports and other specified administrative purposes.

**Hearing Date:** 3/7/14

**Staff:** Kelly Leonard (786-7147).

**Background:**

Aircraft are subject to either the property tax or the aircraft excise tax, depending on the type of aircraft. General aviation aircraft (all aircraft except those owned by the government or by commercial airlines) must pay the aircraft excise tax, but are exempt from the property tax. This aircraft excise tax is based on the type of aircraft, ranging from \$20 to \$125.

Ninety percent of the revenues from the aircraft excise tax are deposited into the State General Fund, and 10 percent are deposited into the aeronautics account. Other types of taxes and fees are also deposited into the aeronautics account.

The Washington State Department of Transportation, Aviation Division (WSDOT-Aviation) uses funds from the state's aeronautics account to operate state-owned airports and to provide grants or loans to municipalities, which include: counties, cities, towns, authorities, districts, or other political subdivisions or public corporations of the state and any federally recognized Indian tribes. Grants or loans can be used for the acquisition, construction, improvement, maintenance, or operation of an airport that is available for general use by the public. Presently there are 138

---

*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.*

total public use airports: 17 are state owned and/or operated, 90 are owned by municipalities, and 31 are privately owned.

**Summary of Bill:**

All revenues from the aircraft excise tax are deposited into the aeronautics account to be used for state grants to airports and to cover administrative expenses associated with grant execution and collection of the aircraft excise tax.

**Appropriation:** None.

**Fiscal Note:** Available.

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