

HOUSE BILL REPORT

HB 1016

As Reported By House Committee On:

Transportation

Title: An act relating to state and county ferries.

Brief Description: Exempting state and county ferry fuel sales and use tax.

Sponsors: Representatives K. Schmidt and Kremen.

Brief History:

Committee Activity:

Transportation: 1/23/95, 1/25/95 [DP].

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 25 members: Representatives K. Schmidt, Chair; Mitchell, Vice Chair; Skinner, Vice Chair; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Cairnes; Chandler; Chopp; Elliot; Hankins; Horn; Johnson; Koster; McMahan; Patterson; Quall; Robertson; Romero; D. Schmidt; Scott and Tokuda.

Staff: Robin Rettew (786-7306).

Background: Unless specifically exempted, all vehicle fuels are either subject to the motor vehicle or special fuel tax, or are subject to either the retail sales tax or use tax. Special fuel purchased by the marine division of the Department of Transportation is exempt from the special fuel tax and is subject to the use tax.

Summary of Bill: Special fuels used by the marine division of the Department of Transportation (DOT) are exempt from paying either the retail sales or use tax. The fiscal impact is a reduction of \$1.9 million in operating expenses to the marine division of the DOT and about \$31,000 in reduced operating expenses for the four county ferries combined.

Appropriation: None.

Fiscal Note: Requested on January 23, 1995.

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

Testimony For: The ferry system should be entitled to the same exemptions as other public transportation providers.

Testimony Against: None.

Testified: Terry McCarthy, Washington State Ferries; and George Walk, Pierce County.