

HOUSE BILL REPORT

EHB 2032

As Passed House:

January 26, 1996

Title: An act relating to the sales tax on highway and ferry construction contracts.

Brief Description: Depositing certain sales or use tax revenue into the transportation fund.

Sponsors: Representatives K. Schmidt, R. Fisher, Hatfield, Cairnes, Brown, Backlund, Romero, Johnson, D. Schmidt, Elliot, Benton and Blanton.

Brief History:

Committee Activity:

Transportation: 3/1/95, 3/3/95 [DP].

Floor Activity:

Passed House: 3/9/95, 94-1

Passed House: 1/26/96, 96-0.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 26 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Cairnes; Chopp; Elliot; Hankins; Horn; Johnson; Koster; McMahan; Ogden; Patterson; Quall; Robertson; Romero; D. Schmidt; Scott and Tokuda.

Staff: Mary McLaughlin (786-7309).

Background: Sales tax is collected on highway construction and ferry contracts. Between \$20 million and \$30 million of sales tax revenues per year are collected and deposited in the general fund.

Summary of Bill: If the motor vehicle fuel tax rate increases after January 1, 1997, the amount of sales tax generated from the additional highway construction and ferry contracts related to the increased fuel tax will be deposited in the transportation fund instead of the general fund.

For each 1 cent increase in the motor vehicle fuel tax dedicated to highway and ferry construction, about \$1.2 million will be generated in associated sales tax revenues.

Appropriation: None.

Fiscal Note: Requested on February 22, 1995.

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

Testimony For: None.

Testimony Against: None.

Testified: None.