

# HOUSE BILL REPORT

## HB 2032

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**As Reported By House Committee On:**  
Transportation

**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].

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### 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:** Robin Rettew (786-7306).

**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 new motor vehicle fuel tax revenues are approved by the voters in the 1995 general election, 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:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.