
HOUSE BILL 2502

State of Washington

54th Legislature

1996 Regular Session

By Representatives Elliot, Morris, B. Thomas, Schoesler, Sheldon, Boldt, Grant, Pennington and Mastin

Read first time 01/11/96. Referred to Committee on Finance.

1 AN ACT Relating to paying for services provided to general aviation
2 by exempting fuels used for aviation from sales and use taxation and
3 increasing the aircraft fuel tax rate from three to six percent;
4 amending RCW 82.12.0256, 82.42.025, and 82.42.090; reenacting and
5 amending RCW 82.08.0255; creating a new section; and providing an
6 effective date.

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

8 NEW SECTION. **Sec. 1.** The legislature finds that: There is a
9 state tax on fuel that goes to the general fund unlike any other fuel
10 tax; there is already an aviation fuel tax dedicated to paying for
11 services provided to general aviation by the state department of
12 transportation; and only a small segment of aviation pays into either
13 tax. The legislature intends that it is the policy of the state that
14 taxes on fuel including aviation fuel be user fees dedicated to paying
15 for services provided to the user and aviation fuel taxes be dedicated
16 to paying for services provided to general aviation.

17 **Sec. 2.** RCW 82.08.0255 and 1983 1st ex.s. c 35 s 2 and 1983 c 108
18 s 1 are each reenacted and amended to read as follows:

1 (1) The tax levied by RCW 82.08.020 shall not apply to sales of:

2 (a) Motor vehicle fuel used in aircraft by the manufacturer thereof
3 for research, development, and testing purposes; and

4 (b) Motor vehicle and special fuel if:

5 (i) The fuel is purchased for the purpose of public transportation
6 and the purchaser is entitled to a refund or an exemption under RCW
7 82.36.275 or 82.38.080(9); or

8 (ii) The fuel is purchased by a private, nonprofit transportation
9 provider certified under chapter 81.66 RCW and the purchaser is
10 entitled to a refund or an exemption under RCW 82.36.285 or
11 82.38.080(8); or

12 (iii) The fuel is taxable under chapter 82.36 (~~(or)~~), 82.38, or
13 82.42 RCW.

14 (2) Any person who has paid the tax imposed by RCW 82.08.020 on the
15 sale of special fuel delivered in this state shall be entitled to a
16 credit or refund of such tax with respect to fuel subsequently
17 established to have been actually transported and used outside this
18 state by persons engaged in interstate commerce. The tax shall be
19 claimed as a credit or refunded through the tax reports required under
20 RCW 82.38.150.

21 **Sec. 3.** RCW 82.12.0256 and 1983 1st ex.s. c 35 s 3 are each
22 amended to read as follows:

23 The provisions of this chapter shall not apply in respect to the
24 use of:

25 (1) Motor vehicle fuel used in aircraft by the manufacturer thereof
26 for research, development, and testing purposes; and

27 (2) Special fuel purchased in this state upon which a refund is
28 obtained as provided in RCW 82.38.180(2); and

29 (3) Motor vehicle and special fuel if:

30 (a) The fuel is used for the purpose of public transportation and
31 the purchaser is entitled to a refund or an exemption under RCW
32 82.36.275 or 82.38.080(9); or

33 (b) The fuel is purchased by a private, nonprofit transportation
34 provider certified under chapter 81.66 RCW and the purchaser is
35 entitled to a refund or an exemption under RCW 82.36.285 or
36 82.38.080(8); or

37 (c) The fuel is taxable under chapter 82.36 (~~(or)~~), 82.38, or 82.42
38 RCW: PROVIDED, That the use of motor vehicle and special fuel upon

1 which a refund of the applicable fuel tax is obtained shall not be
2 exempt under this subsection (3)(c), and the director of licensing
3 shall deduct from the amount of such tax to be refunded the amount of
4 tax due under this chapter and remit the same each month to the
5 department of revenue.

6 **Sec. 4.** RCW 82.42.025 and 1983 c 49 s 2 are each amended to read
7 as follows:

8 (1) During the fifth month of each fiscal half-year ending June
9 30th and December 31st of each year, the department of licensing shall
10 compute an aircraft fuel tax rate to the nearest one-half cent per
11 gallon of aircraft fuel by multiplying (~~three~~) six percent times the
12 weighted average retail sales price of aircraft fuel, per gallon, sold
13 within the state in the third month of the fiscal half-year, but only
14 if the fuel is exempt from taxation under RCW 82.08.0255 and
15 82.12.0256. The department shall determine the weighted average retail
16 sales price of aircraft fuel by state-wide sampling and survey
17 techniques designed to reflect these prices for the third month of the
18 fiscal half-year. The department shall establish reasonable guidelines
19 for its sampling and survey methods.

20 (2) The excise tax rate computed under subsection (1) of this
21 section or five cents per gallon, whichever is greater, shall apply to
22 the sale, distribution, or use of aircraft fuel beginning the fiscal
23 half-year following computation of the rate and shall remain in effect
24 for each succeeding fiscal half-year until a subsequent computation
25 requires a change in the rate. For the period May 1, 1983, through
26 June 30, 1983, the aircraft fuel tax shall be five cents per gallon.

27 (3) One-half of the moneys collected under this section shall be
28 used for general aviation airport development and maintenance.

29 **Sec. 5.** RCW 82.42.090 and 1995 c 170 s 1 are each amended to read
30 as follows:

31 All moneys collected by the director from the aircraft fuel excise
32 tax as provided in RCW 82.42.020 shall be transmitted to the state
33 treasurer and shall be used as follows:

34 (1) One-half of the moneys shall be credited to the aeronautics
35 account hereby created in the transportation fund of the state
36 treasury; and

1 (2) One-half of the moneys shall be used for general aviation
2 airport development and maintenance.

3 Moneys collected from the consumer or user of aircraft fuel from
4 either the use tax imposed by RCW 82.12.020 or the retail sales tax
5 imposed by RCW 82.08.020 shall be transmitted to the state treasurer
6 and credited to the state general fund.

7 NEW SECTION. **Sec. 6.** This act shall take effect July 1, 1996.

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