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SENATE BILL 5960

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State of Washington

54th Legislature

1995 Regular Session

By Senator Sutherland

Read first time 02/17/95. Referred to Committee on Transportation.

1 AN ACT Relating to the motor vehicle excise tax; amending RCW  
2 81.100.060 and 82.44.020; reenacting and amending RCW 81.104.160 and  
3 82.44.110; and providing an effective date.

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

5 **Sec. 1.** RCW 81.100.060 and 1992 c 194 s 12 are each amended to  
6 read as follows:

7 A county with a population of one million or more and a county with  
8 a population of from two hundred ten thousand to less than one million  
9 that is adjoining a county with a population of one million or more,  
10 having within their boundaries existing or planned high occupancy  
11 vehicle lanes on the state highway system may, with voter approval,  
12 impose a local surcharge of not more than (~~fifteen~~) twenty percent on  
13 the state motor vehicle excise tax paid under RCW 82.44.020(1)(b) on  
14 vehicles registered to a person residing within the county and on the  
15 state sales and use taxes paid under the rate in RCW 82.08.020(2) on  
16 retail car rentals within the county. No surcharge may be imposed on  
17 vehicles licensed under RCW 46.16.070 except vehicles with an unladen  
18 weight of six thousand pounds or less, RCW 46.16.079, (~~46.16.080,~~)  
19 46.16.085, or 46.16.090.

1 Counties imposing a tax under this section shall contract, before  
2 the effective date of the resolution or ordinance imposing a surcharge,  
3 administration and collection to the state department of licensing, and  
4 department of revenue, as appropriate, which shall deduct an amount, as  
5 provided by contract, for administration and collection expenses  
6 incurred by the department. All administrative provisions in chapters  
7 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to  
8 state motor vehicle excise taxes, be applicable to surcharges imposed  
9 under this section. All administrative provisions in chapters 82.03,  
10 82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to  
11 state sales and use taxes, be applicable to surcharges imposed under  
12 this section.

13 If the tax authorized in RCW 81.100.030 is also imposed by the  
14 county, the total proceeds from tax sources imposed under this section  
15 and RCW 81.100.030 each year shall not exceed the maximum amount which  
16 could be collected under this section.

17 **Sec. 2.** RCW 81.104.160 and 1992 c 194 s 13 and 1992 c 101 s 27 are  
18 each reenacted and amended to read as follows:

19 (1) Cities that operate transit systems, county transportation  
20 authorities, metropolitan municipal corporations, public transportation  
21 benefit areas, and regional transit authorities may submit an  
22 authorizing proposition to the voters, and if approved, may levy and  
23 collect an excise tax, at a rate approved by the voters, but not  
24 exceeding eighty one-hundredths of one percent on the value, under  
25 chapter 82.44 RCW, of every motor vehicle owned by a resident of the  
26 taxing district, solely for the purpose of providing high capacity  
27 transportation service. In any county imposing a motor vehicle excise  
28 tax surcharge pursuant to RCW 81.100.060, the maximum tax rate under  
29 this section shall be reduced to a rate equal to eighty one-hundredths  
30 of one percent on the value less the equivalent motor vehicle excise  
31 tax rate of the surcharge imposed pursuant to RCW 81.100.060. This  
32 rate shall not apply to vehicles licensed under RCW 46.16.070 except  
33 vehicles with an unladen weight of six thousand pounds or less, RCW  
34 46.16.079, (~~(46.16.080)~~) 46.16.085, or 46.16.090.

35 (2) An agency imposing a tax under subsection (1) of this section  
36 may also impose a sales and use tax solely for the purpose of providing  
37 high capacity transportation service, in addition to the tax authorized  
38 by RCW 82.14.030, upon retail car rentals within the agency's

1 jurisdiction that are taxable by the state under chapters 82.08 and  
2 82.12 RCW. The rate of tax shall bear the same ratio to the rate  
3 imposed under RCW 82.08.020(2) as the excise tax rate imposed under  
4 subsection (1) of this section bears to (~~the excise tax rate imposed~~  
5 ~~under RCW 82.44.020 (1) and (2)~~) two and two-tenths percent. The base  
6 of the tax shall be the selling price in the case of a sales tax or the  
7 rental value of the vehicle used in the case of a use tax. The revenue  
8 collected under this subsection shall be used in the same manner as  
9 excise taxes under subsection (1) of this section.

10 **Sec. 3.** RCW 82.44.020 and 1993 sp.s. c 23 s 61 are each amended to  
11 read as follows:

12 (1) An excise tax is imposed for the privilege of using in the  
13 state any motor vehicle, except those operated under reciprocal  
14 agreements, the provisions of RCW 46.16.160 as now or hereafter  
15 amended, or dealer's licenses. The annual amount of such excise tax  
16 shall be: (a) Two percent of the value of (~~such vehicle~~) those  
17 vehicles subject to the valuation schedule under RCW 82.44.041(1); and  
18 (b) one and forty-five one-hundredths of a percent of the value of  
19 those vehicles subject to the valuation schedule under RCW  
20 82.44.041(3).

21 (2) An additional excise tax is imposed, in addition to any other  
22 tax imposed by this section, for the privilege of using in the state  
23 any such motor vehicle, and the annual amount of such additional excise  
24 shall be two-tenths of one percent of the value of such vehicle.

25 (3) Effective with October 1992 motor vehicle registration  
26 expirations, a clean air excise tax is imposed in addition to any other  
27 tax imposed by this section for the privilege of using in the state any  
28 motor vehicle as defined in RCW 82.44.010, except that farm vehicles as  
29 defined in RCW 46.04.181 shall not be subject to the tax imposed by  
30 this subsection. The annual amount of the additional excise tax shall  
31 be two dollars and twenty-five cents. Effective with July 1994 motor  
32 vehicle registration expirations, the annual amount of additional  
33 excise tax shall be two dollars.

34 (4) An additional excise tax is imposed on truck-type power units  
35 that are used in combination with a trailer to transport loads in  
36 excess of forty thousand pounds combined gross weight. The annual  
37 amount of such additional excise tax shall be fifty-eight one-  
38 hundredths of one percent of the value of the vehicle.

1 The department shall distribute the additional tax collected under  
2 this subsection as follows:

3 (a) For each trailing unit subject to subsection (5) of this  
4 section, an amount equal to the clean air excise tax prescribed in  
5 subsection (3) of this section shall be distributed in the manner  
6 prescribed in RCW 82.44.110(3);

7 (b) Of the remainder of the additional excise tax collected under  
8 this subsection, ten percent shall be distributed in the manner  
9 prescribed in RCW 82.44.110(2) and ninety percent shall be distributed  
10 in the manner prescribed in RCW 82.44.110(1). This tax shall not apply  
11 to power units used exclusively for hauling logs.

12 (5) The excise taxes imposed by subsections (1) through (3) of this  
13 section shall not apply to trailing units which are used in combination  
14 with a power unit subject to the additional excise tax imposed by  
15 subsection (4) of this section. This subsection shall not apply to  
16 trailing units used for hauling logs.

17 (6) In no case shall the total tax be less than two dollars except  
18 for proportionally registered vehicles.

19 (7) Washington residents, as defined in RCW 46.16.028, who license  
20 motor vehicles in another state or foreign country and avoid Washington  
21 motor vehicle excise taxes are liable for such unpaid excise taxes.  
22 The department of revenue may assess and collect the unpaid excise  
23 taxes under chapter 82.32 RCW, including the penalties and interest  
24 provided therein.

25 **Sec. 4.** RCW 82.44.110 and 1993 sp.s. c 21 s 7 and 1993 c 492 s 253  
26 are each reenacted and amended to read as follows:

27 The county auditor shall regularly, when remitting license fee  
28 receipts, pay over and account to the director of licensing for the  
29 excise taxes collected under the provisions of this chapter. The  
30 director shall forthwith transmit the excise taxes to the state  
31 treasurer.

32 (1) The state treasurer shall deposit the excise taxes collected  
33 under RCW 82.44.020(1) as follows:

34 (a) (~~(1.60)~~) 2.13 percent into the motor vehicle fund to defray  
35 administrative and other expenses incurred by the department in the  
36 collection of the excise tax.

37 (b) (~~(8.15)~~) 10.87 percent into the Puget Sound capital  
38 construction account in the motor vehicle fund.

1 (c) (~~(4.07)~~) 5.43 percent into the Puget Sound ferry operations  
2 account in the motor vehicle fund.

3 (d) (~~(5.88)~~) 7.84 percent into the general fund to be distributed  
4 under RCW 82.44.155.

5 (e) (~~(4.75)~~) 6.34 percent into the municipal sales and use tax  
6 equalization account in the general fund created in RCW 82.14.210.

7 (f) (~~(1.60)~~) 2.13 percent into the county sales and use tax  
8 equalization account in the general fund created in RCW 82.14.200.

9 (g) (~~(62.6440 percent into the general fund through June 30, 1995,~~  
10 ~~and 57.6440)~~) 43.5142 percent into the general fund (~~(beginning July 1,~~  
11 ~~1995)~~).

12 (h) (~~(5)~~) 6.67 percent into the transportation fund created in RCW  
13 82.44.180 (~~(beginning July 1, 1995)~~).

14 (i) (~~(5.9686)~~) 7.9614 percent into the county criminal justice  
15 assistance account created in RCW 82.14.310.

16 (j) (~~(1.1937)~~) 1.5922 percent into the municipal criminal justice  
17 assistance account for distribution under RCW 82.14.320.

18 (k) (~~(1.1937)~~) 1.5922 percent into the municipal criminal justice  
19 assistance account for distribution under RCW 82.14.330.

20 (l) (~~(2.95)~~) 3.93 percent into the general fund to be distributed  
21 by the state treasurer to county health departments to be used  
22 exclusively for public health. The state treasurer shall distribute  
23 these funds proportionately among the counties based on population as  
24 determined by the most recent United States census.

25 Notwithstanding (i) through (k) of this subsection, no more than  
26 sixty million dollars shall be deposited into the accounts specified in  
27 (i) through (k) of this subsection for the period January 1, 1994,  
28 through June 30, 1995. For the fiscal year ending June 30, 1998, and  
29 for each fiscal year thereafter, the amounts deposited into the  
30 accounts specified in (i) through (k) of this subsection shall not  
31 increase by more than the amounts deposited into those accounts in the  
32 previous fiscal year increased by the implicit price deflator for the  
33 previous fiscal year. Any revenues in excess of this amount shall be  
34 deposited into the general fund.

35 (2) The state treasurer shall deposit the excise taxes collected  
36 under RCW 82.44.020(2) into the transportation fund.

37 (3) The state treasurer shall deposit the excise tax imposed by RCW  
38 82.44.020(3) into the air pollution control account created by RCW  
39 70.94.015.

1      NEW SECTION.    **Sec. 5.**    This act shall take effect January 1, 1996.

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