

# SENATE BILL REPORT

## SB 5990

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As of March 2, 1999

**Title:** An act relating to distribution of sales and use taxes on aircraft fuel.

**Brief Description:** Funding general aviation airport development and maintenance.

**Sponsors:** Senators Haugen, Morton, Gardner and Rasmussen.

**Brief History:**

**Committee Activity:** Transportation: 3/3/99.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Reema Shawa (786-7301)

**Background:** Under current law, a majority of the tax revenue generated by the sale of aircraft fuel is distributed to the General Fund.

Based on a \$2 price per gallon, the current tax rate for aircraft fuel, including the retail sales and use tax and the aircraft fuel tax, is approximately 22 cents per gallon. Approximately 16 cents per gallon is attributable to the retail sales and use tax. The proceeds from the sales and use tax are deposited into the General Fund and are used for nonaviation-related activities.

Approximately six cents per gallon is attributable to the aircraft fuel tax. The proceeds from the aircraft fuel tax are deposited into the Aeronautics Account and are used to provide assistance to public airports through the Aeronautics Division of the Department of Transportation.

**Summary of Bill:** The Airport Development Account is created. Funds in this account may only be expended on general aviation airport development and maintenance, which is inclusive of any land adjacent to the airport that is owned by the port district.

The distribution of sales and use tax revenue, generated by the sale of aircraft fuel, is as follows:

- July 1, 1999 - June 30, 2000
  - 10% - Airport Development Account
  - 10% - Aeronautics Account
  - 80% - General Fund
  
- July 1, 2000 - June 30, 2001
  - 20% - Airport Development Account
  - 20% - Aeronautics Account
  - 60% - General Fund

- July 1, 2001 - thereafter
  - 30% - Airport Development Account
  - 30% - Aeronautics Account
  - 40% - General Fund

**Appropriation:** None.

**Fiscal Note:** Requested on February 24, 1999.

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