

# SENATE BILL REPORT

## SB 6305

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As of January 23, 2002

**Title:** An act relating to tax exemptions for high gas mileage vehicles.

**Brief Description:** Providing a sales and use tax exemption for high gas mileage vehicles.

**Sponsors:** Senator Jacobsen.

**Brief History:**

**Committee Activity:** Environment, Energy & Water: 1/29/02.

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### SENATE COMMITTEE ON ENVIRONMENT, ENERGY & WATER

**Staff:** Andrea McNamara (786-7483)

**Background:** The sale of most new motor vehicles is subject to the sales and use tax.

Current exemptions from sales and use taxes for the purpose of encouraging the purchase or use of more fuel efficient modes of transportation include an exemption for passenger vehicles that are used in commuter ride sharing and an exemption for certain special fuels.

According to the United States Environmental Protection Agency (EPA), the average gas mileage for passenger vehicles sold in the United States is currently 20.4 miles per gallon. There are five vehicle models that currently get more than twice this average: the Honda Insight and Toyota Prius hybrid cars, and the Volkswagen Golf, Jetta, and New Beetle.

**Summary of Bill:** The sales and use tax does not apply to the sale of any new motor vehicle that gets more than twice the national average gas mileage for new passenger cars.

**Appropriation:** None.

**Fiscal Note:** Requested on January 21, 2002.

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