

SENATE BILL REPORT

HB 2659

As Reported By Senate Committee On:
Transportation, February 22 1996

Title: An act relating to computation of special fuel consumption on a mileage basis.

Brief Description: Computing special fuel tax on a mileage basis.

Sponsors: Representatives Skinner, R. Fisher and Cairnes; by request of Department of Licensing.

Brief History:

Committee Activity: Transportation: 2/15/96, 2/22/96 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Owen, Chair; Heavey, Vice Chair; Goings, Haugen, Morton, Oke, Prentice, Prince, Schow, Sellar, Thibaudeau and Wood.

Staff: Gary Lebow (786-7304)

Background: The Fuel Tax Division of the Department of Licensing (DOL) is responsible for auditing special fuel users to determine if the appropriate amount of special fuel tax is being remitted to the state. Special fuel licenses are issued to persons who are authorized to purchase fuel without paying tax. If the fuel is used in a nonexempt vehicle and the taxpayer's records are inadequate to prove the number of miles actually traveled, the department can presume the calculation of the miles traveled at four miles per gallon (mpg) for vehicles over 40,000 pounds gross weight; seven mpg for vehicles 12,001 to 40,000 pounds gross weight; 10 mpg for vehicles 6,001 to 12,000 pounds gross weight; and 16 mpg for vehicles 6,000 pounds or less gross weight. Because the users of special fuel are required to maintain detailed mileage records showing both on-highway and off-highway usage, the imposed calculations are intended to be punitive.

The language pertaining to the calculation of the miles traveled in the absence of records was challenged and the court found for the plaintiff. The court indicated that the language was not specifically punitive and disallowed the four mpg for vehicles over 40,000 pounds gross weight if it was proved that the vehicle averaged better than four mpg.

Summary of Bill: The language is restated that, in the absence of operation records, vehicle miles per gallon "must be calculated" using the above schedule instead of "presuming" the vehicle miles per gallon on the above schedule.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This change will allow DOL to enforce the miles per gallon schedule written in statute.

Testimony Against: None.

Testified: Representative Skinner, prime sponsor (pro); Jim Wadsworth, DOL (pro).