

SENATE BILL REPORT

HB 2727

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 25, 1992

**Brief Description:** Modifying provisions for the taxation of aircraft, watercraft, and travel trailer and camper excise taxes.

**SPONSORS:** Representatives Fraser and Brumsickle; by request of Department of Revenue

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bailey, Gaspard, M. Kreidler, Matson, Newhouse, Owen, Saling, Talmadge, and Williams.

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** February 20, 1992; February 24, 1992; February 25, 1992

**BACKGROUND:**

A motor vehicle excise tax is imposed annually on the privilege of using a motor vehicle on the highways of this state. Residents who avoid the tax by registering vehicles in another state or country are liable for unpaid taxes. If liability for unpaid tax is discovered, the Department of Revenue may collect the back taxes along with the standard penalties and interest applicable to excise taxes.

The state levies annual excise taxes on aircraft, watercraft, and travel trailers/campers. The aircraft excise tax is administered by the Department of Transportation, and the watercraft and travel trailer/camper excise taxes are administered by the Department of Licensing. None of these agencies have specific authority to collect back taxes from residents who do not properly license aircraft, watercraft, travel trailers, and campers in the state.

**SUMMARY:**

The Department of Revenue is authorized to collect unpaid aircraft, watercraft, travel trailer, and camper excise taxes along with the standard penalties and interest DOR assesses on delinquent taxpayers. In addition, interest is authorized on refunds.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**Effective Date:** July 1, 1992

**SUMMARY OF PROPOSED SENATE AMENDMENT:**

References to interest rates are corrected to refer to the rates applicable to refunds rather than deficiencies.

**TESTIMONY FOR:**

Payment of the tax is now a lottery. If you escape paying the tax in any year, you never have to pay it.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Dennis Okamoto, Director of Revenue