

SHB 2447 - H AMD

By Representative Sullivan

1 On page 13, after line 13, insert the following:

2 "Sec. 11. RCW 82.38.080 and 1998 c 176 s 60 are each amended
3 to read as follows:

4 (1) There is exempted from the tax imposed by this chapter, the
5 use of fuel for:

6 (a) Street and highway construction and maintenance purposes in
7 motor vehicles owned and operated by the state of Washington, or
8 any county or municipality;

9 (b) Publicly owned fire fighting equipment;

10 (c) Special mobile equipment as defined in RCW 46.04.552;

11 (d) Power pumping units or other power take-off equipment of
12 any motor vehicle which is accurately measured by metering devices
13 that have been specifically approved by the department or which is
14 established by any of the following formulae:

15 (i) Pumping propane, or fuel or heating oils or milk picked up
16 from a farm or dairy farm storage tank by a power take-off unit on
17 a delivery truck, at a rate determined by the department:
18 PROVIDED, That claimant when presenting his or her claim to the
19 department in accordance with this chapter, shall provide to the
20 claim, invoices of propane, or fuel or heating oil delivered, or
21 such other appropriate information as may be required by the
22 department to substantiate his or her claim;

23 (ii) Operating a power take-off unit on a cement mixer truck or
24 a load compactor on a garbage truck at the rate of twenty-five
25 percent of the total gallons of fuel used in such a truck; or

26 (iii) The department is authorized to establish by rule
27 additional formulae for determining fuel usage when operating other
28 types of equipment by means of power take-off units when direct
29 measurement of the fuel used is not feasible. The department is
30 also authorized to adopt rules regarding the usage of on board
31 computers for the production of records required by this chapter;

1 (e) Motor vehicles owned and operated by the United States
2 government;

3 (f) Heating purposes;

4 (g) Moving a motor vehicle on a public highway between two
5 pieces of private property when said moving is incidental to the
6 primary use of the motor vehicle;

7 (h) Transportation services for persons with special
8 transportation needs by a private, nonprofit transportation
9 provider regulated under chapter 81.66 RCW;

10 (i) Vehicle refrigeration units, mixing units, or other
11 equipment powered by separate motors from separate fuel tanks; and

12 (j) The operation of a motor vehicle as a part of or incidental
13 to logging operations upon a highway under federal jurisdiction
14 within the boundaries of a federal area if the federal government
15 requires a fee for the privilege of operating the motor vehicle
16 upon the highway, the proceeds of which are reserved for
17 constructing or maintaining roads in the federal area, or requires
18 maintenance or construction work to be performed on the highway for
19 the privilege of operating the motor vehicle on the highway.

20 (2) There is exempted from the tax imposed by this chapter the
21 removal or entry of special fuel under the following circumstances
22 and conditions:

23 (a) If it is the removal from a terminal or refinery of, or the
24 entry or sale of, a special fuel if all of the following apply:

25 (i) The person otherwise liable for the tax is a licensee other
26 than a dyed special fuel user or international fuel tax agreement
27 licensee;

28 (ii) For a removal from a terminal, the terminal is a licensed
29 terminal; and

30 (iii) The special fuel satisfies the dyeing and marking
31 requirements of this chapter;

32 (b) If it is an entry or removal from a terminal or refinery of
33 taxable special fuel transferred to a refinery or terminal and the
34 persons involved, including the terminal operator, are licensed;
35 and

36 (c)(i) If it is a special fuel that, under contract of sale, is
37 shipped to a point outside this state by a supplier by means of any
38 of the following:

39 (A) Facilities operated by the supplier;

1 (B) Delivery by the supplier to a carrier, customs broker, or
2 forwarding agent, whether hired by the purchaser or not, for
3 shipment to the out-of-state point;

4 (C) Delivery by the supplier to a vessel clearing from port of
5 this state for a port outside this state and actually exported from
6 this state in the vessel.

7 (ii) For purposes of this subsection (2)(c):

8 (A) "Carrier" means a person or firm engaged in the business of
9 transporting for compensation property owned by other persons, and
10 includes both common and contract carriers; and

11 (B) "Forwarding agent" means a person or firm engaged in the
12 business of preparing property for shipment or arranging for its
13 shipment.

14 (3) Notwithstanding any provision of law to the contrary, every
15 urban passenger transportation system and carriers as defined by
16 chapters 81.68 and 81.70 RCW shall be exempt from the provisions of
17 this chapter requiring the payment of special fuel taxes. For the
18 purposes of this section "urban passenger transportation system"
19 means every transportation system, publicly or privately owned,
20 having as its principal source of revenue the income from
21 transporting persons for compensation by means of motor vehicles
22 and/or trackless trolleys, each having a seating capacity for over
23 fifteen persons over prescribed routes in such a manner that the
24 routes of such motor vehicles and/or trackless trolleys, either
25 alone or in conjunction with routes of other such motor vehicles
26 and/or trackless trolleys subject to routing by the same
27 transportation system, shall not extend for a distance exceeding
28 twenty-five road miles beyond the corporate limits of the county in
29 which the original starting points of such motor vehicles are
30 located: PROVIDED, That no refunds or credits shall be granted on
31 special fuel used by any urban transportation vehicle or vehicle
32 operated pursuant to chapters 81.68 and 81.70 RCW on any trip where
33 any portion of said trip is more than twenty-five road miles beyond
34 the corporate limits of the county in which said trip originated.

35 (4) Every student transportation program, whether operated by
36 a school district or a commercial chartered bus service, is exempt
37 from the provisions of this chapter requiring the payment of
38 special fuel taxes on natural gas and biodiesel fuel that is at
39 least twenty percent biodiesel blend by volume. The exemption for

1 biodiesel fuel applies to that portion of a gallon of the fuel
2 blend that represents biodiesel. For the purposes of this section,
3 "biodiesel fuel" means a mono alkyl ester of long chain fatty acids
4 that is derived from vegetable oils or animal fats for use in
5 compression-ignition engines and that meets the requirements of the
6 American society of testing and materials specification D 6751 in
7 effect as of January 1, 2003.

8 NEW SECTION. Sec. 12. (1) The legislature finds that
9 accountability and effectiveness are important aspects of setting
10 tax policy. In order to make policy choices regarding the best use
11 of limited state resources the legislature needs information to
12 evaluate whether the stated goals of legislation were achieved.

13 (2) The goal of the special fuel tax exemption in section 11 of
14 this act is to encourage the use by student transportation programs
15 of natural gas and biodiesel fuel that is at least twenty percent
16 biodiesel blend by volume in motor vehicles that transport
17 students. The goal of this tax exemption is achieved when the
18 total number of motor vehicles that transport students under a
19 student transportation program, whether operated by a school
20 district or a commercial chartered bus service, using natural gas
21 or a biodiesel fuel blend of at least twenty percent biodiesel
22 exceeds thirty percent of the total number of motor vehicles used
23 to transport students under student transportation programs."

24 Renumber the sections consecutively and correct any internal
25 references accordingly. Correct the title.

EFFECT: Provides an exemption from the special fuels tax for student transportation programs, whether operated by a school district or a commercial chartered bus service, using natural gas or biodiesel fuel of at least a 20 percent blend. For biodiesel fuel, only the portion of the fuel blend that is biodiesel is exempt from the special fuels tax. Establishes accountability measures.