

SENATE BILL REPORT

SB 5191

As of January 26, 2004

Title: An act relating to changing the payment date of motor vehicle fuel tax and special fuel tax when paying by electronic funds transfer.

Brief Description: Adjusting fuel tax payment dates.

Sponsors: Senators Jacobsen, Horn and Haugen.

Brief History:

Committee Activity: Highways & Transportation: 1/30/03; 1/28/04.

SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

Staff: Dean Carlson (786-7305)

Background: Prior to 1998, motor vehicle fuel taxes and special fuel taxes were due on the next to the last business day of the month following the reporting period. In 1998, the Legislature enacted the "tax at the rack" fuel tax collection method. As part of that legislation, suppliers were made responsible for the payment of the tax and the payment date for those suppliers remitting fuel tax by electronic funds transfer was changed to the tenth day of the second month following the reporting period. In addition, distributors, if paying by electronic funds transfer, could elect to pay the suppliers the tax on fuel purchased up to two days before the last business day of the following month.

Currently, the payment date for those businesses that do not remit payment by electronic funds transfer is the 25th day of the month following the reporting period.

Summary of Substitute Bill: Motor vehicle fuel taxes and special fuel taxes are due the 26th day of the month following the reporting period when remitting payment by electronic funds transfer.

The provision that allows a distributor to pay the fuel tax to a supplier two days before the last business day of the month following the reporting period is removed.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2004.