
HOUSE BILL 2937

State of Washington 58th Legislature 2004 Regular Session

By Representatives Sullivan, Nixon, O'Brien, Ormsby, Linville and Wallace

Read first time 01/23/2004. Referred to Committee on Transportation.

1 AN ACT Relating to a special fuel tax exemption for one hundred
2 percent biodiesel fuel; and amending RCW 82.38.030.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 82.38.030 and 2003 c 361 s 402 are each amended to
5 read as follows:

6 (1) There is hereby levied and imposed upon special fuel users a
7 tax at the rate of twenty-three cents per gallon of special fuel, or
8 each one hundred cubic feet of compressed natural gas, measured at
9 standard pressure and temperature.

10 (2) Beginning July 1, 2003, an additional and cumulative tax rate
11 of five cents per gallon of special fuel, or each one hundred cubic
12 feet of compressed natural gas, measured at standard pressure and
13 temperature shall be imposed on special fuel users. This subsection
14 (2) expires when the bonds issued for transportation 2003 projects are
15 retired. This subsection (2) does not apply to one hundred percent
16 blended biodiesel fuel.

17 (3) Taxes are imposed when:

18 (a) Special fuel is removed in this state from a terminal if the
19 special fuel is removed at the rack unless the removal is to a licensed

1 exporter for direct delivery to a destination outside of the state, or
2 the removal is to a special fuel distributor for direct delivery to an
3 international fuel tax agreement licensee under RCW 82.38.320;

4 (b) Special fuel is removed in this state from a refinery if either
5 of the following applies:

6 (i) The removal is by bulk transfer and the refiner or the owner of
7 the special fuel immediately before the removal is not a licensee; or

8 (ii) The removal is at the refinery rack unless the removal is to
9 a licensed exporter for direct delivery to a destination outside of the
10 state, or the removal is to a special fuel distributor for direct
11 delivery to an international fuel tax agreement licensee under RCW
12 82.38.320;

13 (c) Special fuel enters into this state for sale, consumption, use,
14 or storage if either of the following applies:

15 (i) The entry is by bulk transfer and the importer is not a
16 licensee; or

17 (ii) The entry is not by bulk transfer;

18 (d) Special fuel is sold or removed in this state to an unlicensed
19 entity unless there was a prior taxable removal, entry, or sale of the
20 special fuel;

21 (e) Blended special fuel is removed or sold in this state by the
22 blender of the fuel. The number of gallons of blended special fuel
23 subject to tax is the difference between the total number of gallons of
24 blended special fuel removed or sold and the number of gallons of
25 previously taxed special fuel used to produce the blended special fuel;

26 (f) Dyed special fuel is used on a highway, as authorized by the
27 internal revenue code, unless the use is exempt from the special fuel
28 tax;

29 (g) Dyed special fuel is held for sale, sold, used, or is intended
30 to be used in violation of this chapter;

31 (h) Special fuel purchased by an international fuel tax agreement
32 licensee under RCW 82.38.320 is used on a highway; and

33 (i) Special fuel is sold by a licensed special fuel supplier to a
34 special fuel distributor, special fuel importer, or special fuel
35 blender and the special fuel is not removed from the bulk transfer-
36 terminal system.

37 (4) The tax imposed by this chapter, if required to be collected by
38 the licensee, is held in trust by the licensee until paid to the

1 department, and a licensee who appropriates or converts the tax
2 collected to his or her own use or to any use other than the payment of
3 the tax to the extent that the money required to be collected is not
4 available for payment on the due date as prescribed in this chapter is
5 guilty of a felony, or gross misdemeanor in accordance with the theft
6 and anticipatory provisions of Title 9A RCW. A person, partnership,
7 corporation, or corporate officer who fails to collect the tax imposed
8 by this section, or who has collected the tax and fails to pay it to
9 the department in the manner prescribed by this chapter, is personally
10 liable to the state for the amount of the tax.

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