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**SUBSTITUTE SENATE BILL 6868**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senate Committee on Agriculture & Rural Economic Development  
(originally sponsored by Senators Mulliken, Rasmussen and Schoesler)

READ FIRST TIME 02/03/06.

1       AN ACT Relating to excise tax exemptions for aircraft fuel used for  
2 crop dusting and other agricultural activities; amending RCW 82.42.020;  
3 adding a new section to chapter 82.42 RCW; adding a new section to  
4 chapter 82.08 RCW; and adding a new section to chapter 82.12 RCW.

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

6       **Sec. 1.** RCW 82.42.020 and 2005 c 341 s 3 are each amended to read  
7 as follows:

8       (1) There is hereby levied, and there shall be collected by every  
9 distributor of aircraft fuel, an excise tax at the rate of eleven cents  
10 on each gallon of aircraft fuel sold, delivered, or used in this  
11 state(~~(:— PROVIDED HOWEVER, That such aircraft fuel excise tax shall~~  
12 ~~not apply to fuel for aircraft that both operate from a private, non-~~  
13 ~~state funded airfield during at least ninety five percent of the~~  
14 ~~aircraft's normal use and are used principally for the application of~~  
15 ~~pesticides, herbicides, or other agricultural chemicals and shall not~~  
16 ~~apply to fuel for emergency medical air transport entities:— PROVIDED~~  
17 ~~FURTHER, That there shall be collected from every consumer or user of~~  
18 ~~aircraft fuel either the use tax imposed by RCW 82.12.020, as amended,~~  
19 ~~or the retail sales tax imposed by RCW 82.08.020, as amended,~~

1 ~~collection procedure to be as prescribed by law and/or rule or~~  
2 ~~regulation of the department of revenue)).~~ The taxes imposed by this  
3 chapter shall be collected and paid to the state but once in respect to  
4 any aircraft fuel.

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

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.42 RCW  
18 to read as follows:

19 The tax imposed in RCW 82.42.020 does not apply to:

20 (1) Fuel for aircraft that are operated from a private, nonstate-  
21 funded airfield during at least ninety-five percent of the aircraft's  
22 normal use and used principally for the application of:

23 (a) Pesticides, herbicides, or other agricultural chemicals; or

24 (b) Seeds, commercial fertilizer, or organic substances used as  
25 fertilizer; and

26 (2) Fuel for emergency medical air transport entities.

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.08 RCW  
28 to read as follows:

29 (1) The tax levied by RCW 82.08.020 does not apply to sales of  
30 aircraft fuel for aircraft that are used principally for the  
31 application of:

32 (a) Pesticides, herbicides, or other agricultural chemicals; or

33 (b) Seeds, commercial fertilizer, or organic substances used as  
34 fertilizer. This exemption is available only if the buyer provides the  
35 seller with an exemption certificate in a form and manner prescribed by  
36 the department.

1           (2) For the purpose of this section, "aircraft fuel" has the  
2 meaning provided in RCW 82.42.010.

3           NEW SECTION.   **Sec. 4.** A new section is added to chapter 82.12 RCW  
4 to read as follows:

5           (1) The provisions of this chapter do not apply to aircraft fuel  
6 for aircraft that are used principally for the application of:

- 7           (a) Pesticides, herbicides, or other agricultural chemicals; or  
8           (b) Seeds, commercial fertilizer, or organic substances used as  
9 fertilizer.

10          (2) For the purpose of this section, "aircraft fuel" has the  
11 meaning provided in RCW 82.42.010.

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