

HOUSE BILL REPORT

HB 2583

*As Reported By House Committee on:
Transportation*

Title: An act relating to fuel tax exemptions for power take-off units.

Brief Description: Concerning the use of fuel that is not subject to the vehicle fuel excise tax.

Sponsor(s): Representatives Wood, Kremen, Schmidt, Paris, R. Fisher, Beck, Heavey, Orr, Chandler and Winsley.

Brief History:

Reported by House Committee on:
Transportation, February 10, 1992, DP.

**HOUSE COMMITTEE ON
TRANSPORTATION**

Majority Report: *Do pass.* Signed by 26 members: Representatives R. Fisher, Chair; R. Meyers, Vice Chair; Betrozoff, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Brough; Cantwell; Cooper; Day; G. Fisher; Forner; Haugen; Heavey; Horn; P. Johnson; R. Johnson; Jones; Kremen; Mitchell; Nelson; Orr; Prentice; Prince; Schmidt; Wilson; Wood; and Zellinsky.

Staff: Roger Horn (786-7839).

Background: Motor vehicle fuel - gasoline - and special fuel such as diesel used for non-highway purposes are exempt from motor fuel taxes. Users may request a fuel tax refund from the Department of Licensing (DOL).

One of the purposes eligible for a fuel tax refund is the use of power take-off (PTO) units which include pumps and other equipment fueled from a vehicle's fuel tank. Accurately determining fuel used by the PTO units may not be practical or possible.

Under current law the amount of exempt fuel may be determined through the use of a metering device or a separate fuel tank, or by using statutory formulas that specifically address certain PTO uses: the pumping of fuel, heating oils, or milk; cement mixer trucks; and garbage

truck load compactors. The use of on-board computers in lieu of a metering device is not authorized.

Some users of PTO units are not able to collect a fuel tax refund because they are unable to determine the amount of fuel eligible for refund using the measuring options available in law.

Summary of Bill: For purposes of providing fuel tax refunds, the Department of Licensing is authorized to establish by rule formulas for determining power take-off unit fuel use when direct measurement of the fuel used is not feasible. Formulas may apply to vehicles using motor vehicle fuel or special fuel. The department is also authorized to adopt rules to permit the use of on-board computers to compile records for determining power take-off unit fuel use. Formulas in statute addressing certain power take-off uses are not changed.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Companies such as industrial vacuum firms that use power take-off units are unable to claim fuel tax refunds to which they are entitled because metering devices are neither accurate nor cost effective. These refunds are very important to small businesses. About 500 businesses may benefit from this measure.

Testimony Against: None.

Witnesses: Merle Steffenson, Department of Licensing; and Grant Albert, Innovac Vacuum Service.