

SENATE BILL REPORT

SHB 2110

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 24, 1992

Brief Description: Providing for ad valorem property taxes on watercraft.

SPONSORS: House Committee on Revenue (originally sponsored by Representative Braddock)

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bailey, Gaspard, M. Kreidler, Murray, Newhouse, Niemi, Owen, Saling, L. Smith, Talmadge, Williams, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: February 20, 1992; February 24, 1992

BACKGROUND:

Commercial use watercraft, such as vessels used exclusively for fishing, charter boats, tugs, and barges, are subject to the state personal property tax. These vessels are exempt from local property taxes.

Commercial vessels used in interstate or foreign commerce, and fishing boats used outside Washington waters, that are in the state more than 120 days in the calendar year are subject to the state personal property tax based on the number of days the vessel is in the state.

The Department of Revenue lists and values the vessels subject to tax, but county treasurers collect the tax.

SUMMARY:

The responsibility for collecting the state property tax levy on vessels is transferred to the Department of Revenue. Vessels listed for property taxes will be assigned a tax registration number and a decal. Failure to display the decal subjects the vessel owners to increasing penalties beginning at \$100 for the first violation.

Interest at the rate charged for delinquent excise taxes and penalties are established for late payment of property taxes on vessels.

Delinquent taxes on vessels currently on county treasurer records become the responsibility of the Department of Revenue.

Appropriation: \$137,000

Revenue: yes

Fiscal Note: available

Effective Date: January 1, 1993

TESTIMONY FOR:

Compliance is a problem. The mobility of vessels makes it easy to move between counties to avoid the tax. Taxpayers who want information or who have problems with assessments come to the county assessor, but the county assessor cannot help because the Department of Revenue values the vessels.

TESTIMONY AGAINST: None

TESTIFIED: Phil Sanders, King County Finance Division; Mike Murphy, Thurston County Treasurer