

**SENATE BILL REPORT**

**SB 6172**

**AS PASSED SENATE, FEBRUARY 12, 1992**

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

**SPONSORS:** Senators Nelson, Vognild, Thorsness and Rasmussen

**SENATE COMMITTEE ON TRANSPORTATION**

**Majority Report:** Do pass.

Signed by Senators Patterson, Chairman; Nelson, Vice Chairman; von Reichbauer, Vice Chairman; Erwin, Hansen, Madsen, McMullen, Oke, Skratek, Snyder, Thorsness, and Vognild.

**Staff:** Roger Horn (786-7839)

**Hearing Dates:** January 29, 1992

**BACKGROUND:**

Motor vehicle fuel (gasoline) and special fuel (e.g., 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 powered by a vehicle's engine. 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:**

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.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**TESTIMONY FOR:**

Companies such as industrial vacuum firms that use power takeoff units are unable to claim fuel tax refunds to which they are entitled because metering devices are neither accurate nor cost effective. Tax refunds will be reinvested in these businesses which will help provide jobs. This bill will eliminate the need for each industry using PTOs to appeal to the Legislature for a special exemption.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Charles Mott, Innovac Vacuum Services (pro); Merle Steffenson, Department of Licensing (pro)