
SUBSTITUTE SENATE BILL 5611

State of Washington

52nd Legislature

1991 Regular Session

By Senate Committee on Transportation (originally sponsored by Senators Matson, Patterson, Snyder and Conner).

Read first time February 27, 1991.

1 AN ACT Relating to a tax on the rental of fleet vehicles; and
2 creating a new section.

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

4 NEW SECTION. **Sec. 1.** (1) The legislative transportation
5 committee, in cooperation with the state department of licensing, car
6 rental industry, the state department of transportation, the state
7 department of revenue, and other interested parties shall conduct a
8 study for the purpose of analyzing motor vehicle excise taxes imposed
9 upon car rental vehicles in the state of Washington. The study shall
10 include but not be limited to the following components:

11 (a) Whether the motor vehicle excise tax as now imposed upon the
12 car rental industry is fair and equitable;

13 (b) Whether there are alternative taxes that may be more equitably
14 applied to the car rental industry, and how such taxes would impact the
15 state, local governments including transit agencies, and the consumer;

1 (c) Whether alternative taxes will return to the state and local
2 governments including transit agencies an amount approximately equal to
3 that of the motor vehicle excise tax;

4 (d) Whether or not more rental vehicles would be purchased and
5 registered in-state as a result of proposed tax alternatives; and

6 (e) What, if any, additional costs or administrative difficulties
7 would result from alternative methods of taxation.

8 (2) The study participants shall agree upon the type and extent of
9 data required to analyze current and potential taxation alternatives.
10 At a minimum, total motor vehicle excise tax collections attributable
11 to rental car companies and total gross revenues as recorded on rental
12 car agreements shall be obtained. Other data elements that may be
13 considered include (a) usage of rental vehicles that have in-state
14 versus out-of-state plates and the associated revenue with such usage,
15 and (b) rental vehicles used in Washington and the associated revenue
16 generated from such vehicles that are registered under the
17 international registration plan.

18 (3) If the required data is not currently available, new methods
19 for obtaining the agreed upon data shall be developed by the
20 appropriate state agency or agencies to fulfill the purpose of this
21 study.

22 (4) The study shall include findings and recommendations and shall
23 be submitted to the legislative transportation committee no later than
24 January 1, 1993. An interim report shall be submitted by January 1,
25 1992.