

FINAL BILL REPORT

SSB 5535

C 123 L 93

SYNOPSIS AS ENACTED

Brief Description: Taxing large trucks.

SPONSORS: Senate Committee on Transportation (originally sponsored by Senators Vognild, Prince and M. Rasmussen)

SENATE COMMITTEE ON TRANSPORTATION

HOUSE COMMITTEE ON TRANSPORTATION

BACKGROUND:

Owners of any commercial trailer or semitrailer are required annually to pay a registration fee of \$36 and motor vehicle excise tax at a rate of 2.2 percent of the vehicle value. Unlike fees for trucks, fees for commercial trailers and semitrailers engaged in interstate commerce are not prorated.

SUMMARY:

The motor vehicle excise tax (MVET) rate is increased from 2.2 percent to 2.78 percent for any truck-type power unit used in combination with a trailer to transport loads in excess of 40,000 pounds combined gross weight. This increased fee does not apply to power units used exclusively for hauling logs.

For trailers hauled by the truck-type power units subject to this higher rate, the following provisions apply: Payment of MVET is no longer required; annual renewal of the registration fee is no longer required; upon payment of a \$36 one-time fee, permanent license plates are issued and need not be replaced until the trailer vehicle is sold, permanently removed from the state, or otherwise disposed of by the registered owner; and property tax may not be assessed.

The combined licensing fee for all vehicles with a gross vehicle weight of 42,000 pounds or more is increased by \$90.

The tax changes are designed to be revenue neutral in regard to MVET and combined licensing fee revenue collected by the state.

VOTES ON FINAL PASSAGE:

Senate	42	3
House	97	1

EFFECTIVE: July 25, 1993