

4

5 On page 5, after line 24, insert the following:

6 "NEW SECTION. **Sec. 6.** For the purposes of sections 7 through 10  
7 of this act, the legislature finds that: There is a state tax on fuel  
8 that goes to the general fund unlike any other fuel tax; there is  
9 already an aviation fuel tax dedicated to paying for services provided  
10 to general aviation by the state department of transportation; and only  
11 a small segment of aviation pays into either tax. The legislature  
12 intends that it is the policy of the state that taxes on fuel including  
13 aviation fuel be user fees dedicated to paying for services provided to  
14 the user and aviation fuel taxes be dedicated to paying for services  
15 provided to general aviation.

16 **Sec. 7.** RCW 82.08.0255 and 1983 1st ex.s. c 35 s 2 and 1983 c 108  
17 s 1 are each reenacted and amended to read as follows:

18 (1) The tax levied by RCW 82.08.020 shall not apply to sales of:

19 (a) Motor vehicle fuel used in aircraft by the manufacturer thereof  
20 for research, development, and testing purposes; and

21 (b) Motor vehicle and special fuel if:

22 (i) The fuel is purchased for the purpose of public transportation  
23 and the purchaser is entitled to a refund or an exemption under RCW  
24 82.36.275 or 82.38.080(9); or

25 (ii) The fuel is purchased by a private, nonprofit transportation  
26 provider certified under chapter 81.66 RCW and the purchaser is  
27 entitled to a refund or an exemption under RCW 82.36.285 or  
28 82.38.080(8); or

29 (iii) The fuel is taxable under chapter 82.36 (~~(or)~~), 82.38, or  
30 82.42 RCW.

31 (2) Any person who has paid the tax imposed by RCW 82.08.020 on the  
32 sale of special fuel delivered in this state shall be entitled to a  
33 credit or refund of such tax with respect to fuel subsequently  
34 established to have been actually transported and used outside this  
35 state by persons engaged in interstate commerce. The tax shall be

1 claimed as a credit or refunded through the tax reports required under  
2 RCW 82.38.150.

3 **Sec. 8.** RCW 82.12.0256 and 1983 1st ex.s. c 35 s 3 are each  
4 amended to read as follows:

5 The provisions of this chapter shall not apply in respect to the  
6 use of:

7 (1) Motor vehicle fuel used in aircraft by the manufacturer thereof  
8 for research, development, and testing purposes; and

9 (2) Special fuel purchased in this state upon which a refund is  
10 obtained as provided in RCW 82.38.180(2); and

11 (3) Motor vehicle and special fuel if:

12 (a) The fuel is used for the purpose of public transportation and  
13 the purchaser is entitled to a refund or an exemption under RCW  
14 82.36.275 or 82.38.080(9); or

15 (b) The fuel is purchased by a private, nonprofit transportation  
16 provider certified under chapter 81.66 RCW and the purchaser is  
17 entitled to a refund or an exemption under RCW 82.36.285 or  
18 82.38.080(8); or

19 (c) The fuel is taxable under chapter 82.36 (~~(c)~~), 82.38, or 82.42  
20 RCW: PROVIDED, That the use of motor vehicle and special fuel upon  
21 which a refund of the applicable fuel tax is obtained shall not be  
22 exempt under this subsection (3)(c), and the director of licensing  
23 shall deduct from the amount of such tax to be refunded the amount of  
24 tax due under this chapter and remit the same each month to the  
25 department of revenue.

26 **Sec. 9.** RCW 82.42.025 and 1983 c 49 s 2 are each amended to read  
27 as follows:

28 (1) During the fifth month of each fiscal half-year ending June  
29 30th and December 31st of each year, the department of licensing shall  
30 compute an aircraft fuel tax rate to the nearest one-half cent per  
31 gallon of aircraft fuel by: Multiplying three percent times the  
32 weighted average retail sales price of aircraft fuel, per gallon, sold  
33 within the state in the third month of the fiscal half-year; and  
34 multiplying an additional three percent times the weighted average  
35 retail sales price of aircraft fuel, per gallon, sold within the state  
36 in the third month of the fiscal half-year, but only if the fuel is  
37 exempt from taxation under RCW 82.08.0255 and 82.12.0256. The

1 department shall determine the weighted average retail sales price of  
2 aircraft fuel by state-wide sampling and survey techniques designed to  
3 reflect these prices for the third month of the fiscal half-year. The  
4 department shall establish reasonable guidelines for its sampling and  
5 survey methods.

6 (2) The excise tax rate computed under subsection (1) of this  
7 section or five cents per gallon, whichever is greater, shall apply to  
8 the sale, distribution, or use of aircraft fuel beginning the fiscal  
9 half-year following computation of the rate and shall remain in effect  
10 for each succeeding fiscal half-year until a subsequent computation  
11 requires a change in the rate. For the period May 1, 1983, through  
12 June 30, 1983, the aircraft fuel tax shall be five cents per gallon.

13 (3) One-half of the moneys collected under this section shall be  
14 used for general aviation airport development and maintenance and  
15 grants for counties to fulfill the planning requirements under RCW  
16 36.70A.070 and sections 2 through 5 of this act.

17 **Sec. 10.** RCW 82.42.090 and 1995 c 170 s 1 are each amended to read  
18 as follows:

19 All moneys collected by the director from the aircraft fuel excise  
20 tax as provided in RCW 82.42.020 shall be transmitted to the state  
21 treasurer and shall be used as follows:

22 (1) One-half of the moneys shall be credited to the aeronautics  
23 account hereby created in the transportation fund of the state  
24 treasury; and

25 (2) One-half of the moneys shall be credited to the airport  
26 development account hereby created in the transportation fund of the  
27 state treasury and shall be used for general aviation airport  
28 development and maintenance and grants for counties to fulfill the  
29 planning requirements under RCW 36.70A.070 and sections 2 through 5 of  
30 this act.

31 Moneys collected from the consumer or user of aircraft fuel from  
32 either the use tax imposed by RCW 82.12.020 or the retail sales tax  
33 imposed by RCW 82.08.020 shall be transmitted to the state treasurer  
34 and credited to the state general fund.

35 **Sec. 11.** RCW 43.84.092 and 1995 c 394 s 1 and 1995 c 122 s 12 are  
36 each reenacted and amended to read as follows:

1 (1) All earnings of investments of surplus balances in the state  
2 treasury shall be deposited to the treasury income account, which  
3 account is hereby established in the state treasury.

4 (2) The treasury income account shall be utilized to pay or receive  
5 funds associated with federal programs as required by the federal cash  
6 management improvement act of 1990. The treasury income account is  
7 subject in all respects to chapter 43.88 RCW, but no appropriation is  
8 required for refunds or allocations of interest earnings required by  
9 the cash management improvement act. Refunds of interest to the  
10 federal treasury required under the cash management improvement act  
11 fall under RCW 43.88.180 and shall not require appropriation. The  
12 office of financial management shall determine the amounts due to or  
13 from the federal government pursuant to the cash management improvement  
14 act. The office of financial management may direct transfers of funds  
15 between accounts as deemed necessary to implement the provisions of the  
16 cash management improvement act, and this subsection. Refunds or  
17 allocations shall occur prior to the distributions of earnings set  
18 forth in subsection (4) of this section.

19 (3) Except for the provisions of RCW 43.84.160, the treasury income  
20 account may be utilized for the payment of purchased banking services  
21 on behalf of treasury funds including, but not limited to, depository,  
22 safekeeping, and disbursement functions for the state treasury and  
23 affected state agencies. The treasury income account is subject in all  
24 respects to chapter 43.88 RCW, but no appropriation is required for  
25 payments to financial institutions. Payments shall occur prior to  
26 distribution of earnings set forth in subsection (4) of this section.

27 (4) Monthly, the state treasurer shall distribute the earnings  
28 credited to the treasury income account. The state treasurer shall  
29 credit the general fund with all the earnings credited to the treasury  
30 income account except:

31 (a) The following accounts and funds shall receive their  
32 proportionate share of earnings based upon each account's and fund's  
33 average daily balance for the period: The capitol building  
34 construction account, the Cedar River channel construction and  
35 operation account, the Central Washington University capital projects  
36 account, the charitable, educational, penal and reformatory  
37 institutions account, the common school construction fund, the county  
38 criminal justice assistance account, the county sales and use tax  
39 equalization account, the data processing building construction

1 account, the deferred compensation administrative account, the deferred  
2 compensation principal account, the department of retirement systems  
3 expense account, the Eastern Washington University capital projects  
4 account, the education construction fund, the emergency reserve fund,  
5 the federal forest revolving account, the health services account, the  
6 public health services account, the health system capacity account, the  
7 personal health services account, the industrial insurance premium  
8 refund account, the judges' retirement account, the judicial retirement  
9 administrative account, the judicial retirement principal account, the  
10 local leasehold excise tax account, the local real estate excise tax  
11 account, the local sales and use tax account, the medical aid account,  
12 the mobile home park relocation fund, the municipal criminal justice  
13 assistance account, the municipal sales and use tax equalization  
14 account, the natural resources deposit account, the perpetual  
15 surveillance and maintenance account, the public employees' retirement  
16 system plan I account, the public employees' retirement system plan II  
17 account, the Puyallup tribal settlement account, the resource  
18 management cost account, the site closure account, the special wildlife  
19 account, the state employees' insurance account, the state employees'  
20 insurance reserve account, the state investment board expense account,  
21 the state investment board commingled trust fund accounts, the  
22 supplemental pension account, the teachers' retirement system plan I  
23 account, the teachers' retirement system plan II account, the tuition  
24 recovery trust fund, the University of Washington bond retirement fund,  
25 the University of Washington building account, the volunteer fire  
26 fighters' relief and pension principal account, the volunteer fire  
27 fighters' relief and pension administrative account, the Washington  
28 judicial retirement system account, the Washington law enforcement  
29 officers' and fire fighters' system plan I retirement account, the  
30 Washington law enforcement officers' and fire fighters' system plan II  
31 retirement account, the Washington state patrol retirement account, the  
32 Washington State University building account, the Washington State  
33 University bond retirement fund, the water pollution control revolving  
34 fund, and the Western Washington University capital projects account.  
35 Earnings derived from investing balances of the agricultural permanent  
36 fund, the normal school permanent fund, the permanent common school  
37 fund, the scientific permanent fund, and the state university permanent  
38 fund shall be allocated to their respective beneficiary accounts. All  
39 earnings to be distributed under this subsection (4)(a) shall first be

1 reduced by the allocation to the state treasurer's service fund  
2 pursuant to RCW 43.08.190.

3 (b) The following accounts and funds shall receive eighty percent  
4 of their proportionate share of earnings based upon each account's or  
5 fund's average daily balance for the period: The aeronautics account,  
6 the aircraft search and rescue account, the airport development  
7 account, the central Puget Sound public transportation account, the  
8 city hardship assistance account, the county arterial preservation  
9 account, the department of licensing services account, the economic  
10 development account, the essential rail assistance account, the  
11 essential rail banking account, the ferry bond retirement fund, the  
12 gasohol exemption holding account, the grade crossing protective fund,  
13 the high capacity transportation account, the highway bond retirement  
14 fund, the highway construction stabilization account, the highway  
15 safety account, the marine operating fund, the motor vehicle fund, the  
16 motorcycle safety education account, the pilotage account, the public  
17 transportation systems account, the Puget Sound capital construction  
18 account, the Puget Sound ferry operations account, the recreational  
19 vehicle account, the rural arterial trust account, the safety and  
20 education account, the small city account, the special category C  
21 account, the state patrol highway account, the transfer relief account,  
22 the transportation capital facilities account, the transportation  
23 equipment fund, the transportation fund, the transportation improvement  
24 account, the transportation revolving loan account, and the urban  
25 arterial trust account.

26 (5) In conformance with Article II, section 37 of the state  
27 Constitution, no treasury accounts or funds shall be allocated earnings  
28 without the specific affirmative directive of this section.

29 NEW SECTION. **Sec. 12.** Sections 6 through 10 of this act take  
30 effect July 1, 1996."

31 **SSB 6422** - H AMD  
32 By Representative Elliot

33  
34 On page 1, line 2 of the title, after "uses;" strike the remainder  
35 of the title and insert "amending RCW 82.12.0256, 82.42.025, and  
36 82.42.090; reenacting and amending RCW 36.70A.070, 82.08.0255, and

1 43.84.092; adding a new section to chapter 36.70 RCW; adding a new  
2 section to chapter 35.63 RCW; adding a new section to chapter 35A.63  
3 RCW; adding a new section to chapter 36.70A RCW; creating a new  
4 section; and providing an effective date."

--- END ---