

2 **HB 2894** - S COMM AMD
3 By Committee on Transportation

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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that: There is a
8 state tax on fuel that goes to the general fund unlike any other fuel
9 tax; there is already an aviation fuel tax dedicated to paying for
10 services provided to general aviation by the state department of
11 transportation; and only a small segment of aviation pays into either
12 tax. The legislature intends that it is the policy of the state that
13 taxes on fuel including aviation fuel be user fees dedicated to paying
14 for services provided to the user and aviation fuel taxes be dedicated
15 to paying for services provided to general aviation.

16 **Sec. 2.** 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. 3.** 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. 4.** 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.

15 **Sec. 5.** RCW 82.42.090 and 1995 c 170 s 1 are each amended to read
16 as follows:

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

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

23 (2) One-half of the moneys shall be credited to the airport
24 development account hereby created in the transportation fund of the
25 state treasury and shall be used for general aviation airport
26 development and maintenance.

27 Moneys collected from the consumer or user of aircraft fuel from
28 either the use tax imposed by RCW 82.12.020 or the retail sales tax
29 imposed by RCW 82.08.020 shall be transmitted to the state treasurer
30 and credited to the state general fund.

31 **Sec. 6.** RCW 43.84.092 and 1995 c 394 s 1 and 1995 c 122 s 12 are
32 each reenacted and amended to read as follows:

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

36 (2) The treasury income account shall be utilized to pay or receive
37 funds associated with federal programs as required by the federal cash

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

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

22 (4) Monthly, the state treasurer shall distribute the earnings
23 credited to the treasury income account. The state treasurer shall
24 credit the general fund with all the earnings credited to the treasury
25 income account except:

26 (a) The following accounts and funds shall receive their
27 proportionate share of earnings based upon each account's and fund's
28 average daily balance for the period: The capitol building
29 construction account, the Cedar River channel construction and
30 operation account, the Central Washington University capital projects
31 account, the charitable, educational, penal and reformatory
32 institutions account, the common school construction fund, the county
33 criminal justice assistance account, the county sales and use tax
34 equalization account, the data processing building construction
35 account, the deferred compensation administrative account, the deferred
36 compensation principal account, the department of retirement systems
37 expense account, the Eastern Washington University capital projects
38 account, the education construction fund, the emergency reserve fund,
39 the federal forest revolving account, the health services account, the

1 public health services account, the health system capacity account, the
2 personal health services account, the industrial insurance premium
3 refund account, the judges' retirement account, the judicial retirement
4 administrative account, the judicial retirement principal account, the
5 local leasehold excise tax account, the local real estate excise tax
6 account, the local sales and use tax account, the medical aid account,
7 the mobile home park relocation fund, the municipal criminal justice
8 assistance account, the municipal sales and use tax equalization
9 account, the natural resources deposit account, the perpetual
10 surveillance and maintenance account, the public employees' retirement
11 system plan I account, the public employees' retirement system plan II
12 account, the Puyallup tribal settlement account, the resource
13 management cost account, the site closure account, the special wildlife
14 account, the state employees' insurance account, the state employees'
15 insurance reserve account, the state investment board expense account,
16 the state investment board commingled trust fund accounts, the
17 supplemental pension account, the teachers' retirement system plan I
18 account, the teachers' retirement system plan II account, the tuition
19 recovery trust fund, the University of Washington bond retirement fund,
20 the University of Washington building account, the volunteer fire
21 fighters' relief and pension principal account, the volunteer fire
22 fighters' relief and pension administrative account, the Washington
23 judicial retirement system account, the Washington law enforcement
24 officers' and fire fighters' system plan I retirement account, the
25 Washington law enforcement officers' and fire fighters' system plan II
26 retirement account, the Washington state patrol retirement account, the
27 Washington State University building account, the Washington State
28 University bond retirement fund, the water pollution control revolving
29 fund, and the Western Washington University capital projects account.
30 Earnings derived from investing balances of the agricultural permanent
31 fund, the normal school permanent fund, the permanent common school
32 fund, the scientific permanent fund, and the state university permanent
33 fund shall be allocated to their respective beneficiary accounts. All
34 earnings to be distributed under this subsection (4)(a) shall first be
35 reduced by the allocation to the state treasurer's service fund
36 pursuant to RCW 43.08.190.

37 (b) The following accounts and funds shall receive eighty percent
38 of their proportionate share of earnings based upon each account's or
39 fund's average daily balance for the period: The aeronautics account,

1 the aircraft search and rescue account, the airport development
2 account, the central Puget Sound public transportation account, the
3 city hardship assistance account, the county arterial preservation
4 account, the department of licensing services account, the economic
5 development account, the essential rail assistance account, the
6 essential rail banking account, the ferry bond retirement fund, the
7 gasohol exemption holding account, the grade crossing protective fund,
8 the high capacity transportation account, the highway bond retirement
9 fund, the highway construction stabilization account, the highway
10 safety account, the marine operating fund, the motor vehicle fund, the
11 motorcycle safety education account, the pilotage account, the public
12 transportation systems account, the Puget Sound capital construction
13 account, the Puget Sound ferry operations account, the recreational
14 vehicle account, the rural arterial trust account, the safety and
15 education account, the small city account, the special category C
16 account, the state patrol highway account, the transfer relief account,
17 the transportation capital facilities account, the transportation
18 equipment fund, the transportation fund, the transportation improvement
19 account, the transportation revolving loan account, and the urban
20 arterial trust account.

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

24 NEW SECTION. **Sec. 7.** This act takes effect July 1, 1996."

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28 In line 3 of the title, after "percent;" strike the remainder of
29 the title and insert "amending RCW 82.12.0256, 82.42.025, and
30 82.42.090; reenacting and amending RCW 82.08.0255 and 43.84.092;
31 creating a new section; and providing an effective date."

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