

FINAL BILL REPORT

ESHB 1011

FULL VETO

Brief Description: Exempting state and county ferry fuel sales and use tax.

Sponsors: By House Committee on Transportation Policy & Budget (originally sponsored by Representatives K. Schmidt, Johnson, Skinner, Zellinsky, Mitchell, Robertson, Fisher, Hatfield, Hankins, Smith, Dunn, Mielke, Anderson and O'Brien).

House Committee on Transportation Policy & Budget
Senate Committee on Transportation
Senate Committee on Ways & Means

Background: Unless specifically exempted, all vehicle fuels not subject to the motor vehicle or special fuel tax are subject to the retail sales and use tax. Fuel purchased for ferry use is not subject to the fuel tax and is, therefore, subject to the sales and use tax. Public agencies operating ferries in Washington include the Washington State Ferries Division of the Department of Transportation and the counties of Wahkiakum, Whatcom, Skagit and Pierce.

Motor vehicle fuel and special fuel used by urban transportation (transit) systems, or to transport persons with special needs by private, nonprofit transportation providers, are exempt from both fuel tax and retail sales and use tax.

Summary: Special fuel (diesel) and motor vehicle fuel (gasoline) purchased to operate ferries owned or operated by the state or a county are exempt from the retail sales and use tax.

Votes on Final Passage:

House	72	24
Senate	34	13