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SUBSTITUTE HOUSE BILL 2858

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State of Washington   **55th Legislature**   **1998 Regular Session**

By House Committee on Transportation Policy & Budget (originally sponsored by Representatives Zellinsky and Fisher)

Read first time 02/02/98. Referred to Committee on .

1   AN ACT Relating to payment of taxes on rental cars; amending RCW
2 82.44.023; and creating a new section.

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

4   **Sec. 1.** RCW 82.44.023 and 1994 c 227 s 3 are each amended to read
5 as follows:
6   Rental cars as defined in RCW 46.04.465 are exempt from the taxes
7 imposed in RCW 82.44.020 (1) and (2). When a rental car ceases to be
8 used for rental car purposes and at the time of its retail sale, the
9 excise tax imposed in RCW 82.44.020 (1) and (2) shall be imposed in an
10 amount equal to one-twelfth of the annual excise tax then in effect,
11 for each full month remaining in the vehicle's registration year.
12 Except for the period from January 1, 1997, through July 1, 1999,
13 registration is valid for the registration year reflected on the
14 current Washington state license plates and tabs and on the department
15 of licensing's vehicle record.

16   NEW SECTION. **Sec. 2.** The vehicle services division of the
17 department of licensing shall convene a study group to include
18 representatives from the department of licensing, the department of

1 revenue, the rental car industry, and the franchised vehicle dealers
2 industry.   The study group shall conduct an assessment of the
3 registration year impact during the period of January 1, 1997, through
4 July 1, 1999, upon the requirements of RCW 46.16.006, 82.08.020, and
5 chapter 82.44 RCW and whether the tax rate currently set on car rental
6 transactions provides revenue neutrality. The study group shall report
7 its findings and recommendations, if any, to the transportation
8 committees of the house of representatives and senate by December 31,
9 1998.

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