
SENATE BILL 6112

State of Washington

55th Legislature

1998 Regular Session

By Senators Haugen, Goings, Prentice, Heavey, Hargrove, Patterson, Rasmussen, Kohl, Brown, McAuliffe, Fairley, B. Sheldon, Fraser, Franklin, Spanel, Snyder, T. Sheldon, Loveland, Thibaudeau, Jacobsen, Kline, Wojahn and Bauer

Read first time 01/12/98. Referred to Committee on Ways & Means.

1 AN ACT Relating to reductions in motor vehicle excise tax through
2 uniform reductions in vehicle value; amending RCW 82.44.041 and
3 82.44.110; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that projected
6 surpluses in the state's general fund warrant reductions in the level
7 of taxation in Washington state. Further, it is the intent of the
8 legislature to provide these tax reductions in a manner that will
9 benefit the general citizenry of the state.

10 Recognizing that the cost of registering a motor vehicle
11 contributes to the high cost of motor vehicle ownership in this state,
12 it is the intent of this act to reduce the rate of motor vehicle excise
13 tax on automobiles, motorcycles, light trucks, and motor homes. Such
14 a reduction can most equitably be accomplished by a general reduction
15 in the value of vehicles to which the tax is applied.

16 It is further the intent of the legislature that reductions in
17 revenue from the motor vehicle excise tax be funded from projected
18 surpluses in the state general fund and not have a detrimental effect

1 on other vital programs that receive dedicated funding from the motor
2 vehicle excise tax.

3 **Sec. 2.** RCW 82.44.041 and 1990 c 42 s 303 are each amended to read
4 as follows:

5 (1) For the purpose of determining the tax under this chapter, the
6 value of a truck-type power or trailing unit shall be the latest
7 purchase price of the vehicle, excluding applicable federal excise
8 taxes, state and local sales or use taxes, transportation or shipping
9 costs, or preparatory or delivery costs, multiplied by the following
10 percentage based on year of service of the vehicle since last sale.
11 The latest purchase year shall be considered the first year of service.

12	YEAR OF SERVICE	PERCENTAGE
13	1	100
14	2	90
15	3	83
16	4	75
17	5	67
18	6	59
19	7	52
20	8	44
21	9	36
22	10	28
23	11	21
24	12	13
25	13 or older	10

26 (2) The reissuance of title and registration for a truck-type power
27 or trailing unit because of the installation of body or special
28 equipment shall be treated as a sale, and the value of the truck-type
29 power or trailing unit at that time, as determined by the department
30 from such information as may be available, shall be considered the
31 latest purchase price.

32 (3) For the purpose of determining the tax under this chapter, the
33 value of a motor vehicle other than a truck-type power or trailing unit
34 shall be the manufacturer's base suggested retail price of the vehicle
35 when first offered for sale as a new vehicle, excluding any optional
36 equipment, applicable federal excise taxes, state and local sales or
37 use taxes, transportation or shipping costs, or preparatory or delivery

1 costs, multiplied by the applicable percentage listed in this
2 subsection based on year of service of the vehicle.

3 If the manufacturer's base suggested retail price is unavailable or
4 otherwise unascertainable at the time of initial registration in this
5 state, the department shall determine a value equivalent to a
6 manufacturer's base suggested retail price as follows:

7 (a) The department shall determine a value using any information
8 that may be available, including any guidebook, report, or compendium
9 of recognized standing in the automotive industry or the selling price
10 and year of sale of the vehicle. The department may use an appraisal
11 by the county assessor. In valuing a vehicle for which the current
12 value or selling price is not indicative of the value of similar
13 vehicles of the same year and model, the department shall establish a
14 value that more closely represents the average value of similar
15 vehicles of the same year and model.

16 (b) The value determined in (a) of this subsection shall be divided
17 by the applicable percentage listed in this subsection to establish a
18 value equivalent to a manufacturer's base suggested retail price. The
19 applicable percentage shall be based on the year of service of the
20 vehicle for which the value is determined.

21	YEAR OF SERVICE	PERCENTAGE
22	1	100
23	2	100
24	3	91
25	4	83
26	5	74
27	6	65
28	7	57
29	8	48
30	9	40
31	10	31
32	11	22
33	12	14
34	13 or older	10

35 (c) The value determined under (b) of this subsection shall be
36 reduced by the lesser of two thousand five hundred dollars, or the
37 value of the vehicle if the value of the vehicle is less than two
38 thousand five hundred dollars. The reduced vehicle value derived under

1 this subsection shall apply only to the tax imposed under RCW 82.44.020
2 (1) and (2). Distributions from the proceeds of the tax imposed under
3 RCW 82.44.020 (1) and (2) shall be made, except for distributions to
4 the general fund under RCW 82.44.110(1)(g), without the reduction in
5 vehicle value in this subsection (3)(c), and distributions to the
6 general fund under RCW 82.44.110(1)(g) shall be reduced in an amount
7 equal to the reduction in revenues attributable to this subsection.
8 This subsection shall not apply to motor vehicle excise taxes imposed
9 under other sections of state law, including, but not limited to RCW
10 35.58.273, 81.100.060, 81.104.160, and 82.44.020 (3), (4), and (6).

11 (4) For purposes of this chapter, value shall exclude value
12 attributable to modifications of a motor vehicle and equipment that are
13 designed to facilitate the use or operation of the motor vehicle by a
14 handicapped person.

15 **Sec. 3.** RCW 82.44.110 and 1997 c 338 s 68 are each amended to read
16 as follows:

17 The county auditor shall regularly, when remitting license fee
18 receipts, pay over and account to the director of licensing for the
19 excise taxes collected under the provisions of this chapter. The
20 director shall forthwith transmit the excise taxes to the state
21 treasurer.

22 (1) The state treasurer shall deposit the excise taxes collected
23 under RCW 82.44.020(1), and subject to the condition in RCW
24 82.44.041(3)(c), as follows:

25 (a) 1.60 percent into the motor vehicle fund to defray
26 administrative and other expenses incurred by the department in the
27 collection of the excise tax.

28 (b) 8.15 percent into the Puget Sound capital construction account
29 in the motor vehicle fund.

30 (c) 4.07 percent into the Puget Sound ferry operations account in
31 the motor vehicle fund.

32 (d) 5.88 percent into the general fund to be distributed under RCW
33 82.44.155.

34 (e) 4.75 percent into the municipal sales and use tax equalization
35 account in the general fund created in RCW 82.14.210.

36 (f) 1.60 percent into the county sales and use tax equalization
37 account in the general fund created in RCW 82.14.200.

1 (g) (~~62.6440 percent into the general fund through June 30, 1995,~~
2 and)) 57.6440 percent into the general fund (~~(beginning July 1, 1995)~~).

3 (h) 5 percent into the transportation fund created in RCW 82.44.180
4 beginning July 1, 1995.

5 (i) 5.9686 percent into the county criminal justice assistance
6 account created in RCW 82.14.310.

7 (j) 1.1937 percent into the municipal criminal justice assistance
8 account for distribution under RCW 82.14.320.

9 (k) 1.1937 percent into the municipal criminal justice assistance
10 account for distribution under RCW 82.14.330.

11 (l) 2.95 percent into the county public health account created in
12 RCW 70.05.125.

13 Notwithstanding (i) through (k) of this subsection, no more than
14 sixty million dollars shall be deposited into the accounts specified in
15 (i) through (k) of this subsection for the period January 1, 1994,
16 through June 30, 1995. Not more than five percent of the funds
17 deposited to these accounts shall be available for appropriations for
18 enhancements to the state patrol crime laboratory system and the
19 continuing costs related to these enhancements. Motor vehicle excise
20 tax funds appropriated for such enhancements shall not supplant
21 existing funds from the state general fund. For the fiscal year ending
22 June 30, 1998, and for each fiscal year thereafter, the amounts
23 deposited into the accounts specified in (i) through (k) of this
24 subsection shall not increase by more than the amounts deposited into
25 those accounts in the previous fiscal year increased by the implicit
26 price deflator for the previous fiscal year. Any revenues in excess of
27 this amount shall be deposited into the violence reduction and drug
28 enforcement account.

29 (2) The state treasurer shall deposit the excise taxes collected
30 under RCW 82.44.020(2) into the transportation fund.

31 (3) The state treasurer shall deposit the excise tax imposed by RCW
32 82.44.020(3) into the air pollution control account created by RCW
33 70.94.015.

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