
SENATE BILL 6741

State of Washington 55th Legislature 1998 Regular Session

By Senators Horn, Haugen, Oke, Rasmussen, Wood, Goings and Benton

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

1 AN ACT Relating to exemption of noncommercial marine fuel from
2 sales and use taxes; amending RCW 82.36.415; and reenacting and
3 amending RCW 82.08.0255 and 82.12.0256.

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

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

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

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

10 (b) Motor vehicle fuel and special fuel used for noncommercial
11 marine purposes; and

12 (c) Motor vehicle and special fuel if:

13 (i) The fuel is purchased for the purpose of public transportation
14 and the purchaser is entitled to a refund or an exemption under RCW
15 82.36.275 or 82.38.080(9); or

16 (ii) The fuel is purchased by a private, nonprofit transportation
17 provider certified under chapter 81.66 RCW and the purchaser is
18 entitled to a refund or an exemption under RCW 82.36.285 or
19 82.38.080(8); or

1 (iii) The fuel is taxable under chapter 82.36 or 82.38 RCW.

2 (2) Any person who has paid the tax imposed by RCW 82.08.020 on the
3 sale of special fuel delivered in this state shall be entitled to a
4 credit or refund of such tax with respect to fuel subsequently
5 established to have been actually transported and used outside this
6 state by persons engaged in interstate commerce. The tax shall be
7 claimed as a credit or refunded through the tax reports required under
8 RCW 82.38.150.

9 **Sec. 2.** RCW 82.12.0256 and 1983 1st ex.s. c 35 s 3 and 1983 c 108
10 s 2 are each reenacted and amended to read as follows:

11 The provisions of this chapter shall not apply in respect to the
12 use of:

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

15 (2) Motor vehicle fuel and special fuel used for noncommercial
16 marine purposes; and

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

19 (~~((3))~~) (4) Motor vehicle and special fuel if:

20 (a) The fuel is used for the purpose of public transportation and
21 the purchaser is entitled to a refund or an exemption under RCW
22 82.36.275 or 82.38.080(9); or

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

27 (c) The fuel is taxable under chapter 82.36 or 82.38 RCW:
28 PROVIDED, That the use of motor vehicle and special fuel upon which a
29 refund of the applicable fuel tax is obtained shall not be exempt under
30 this subsection (~~((3))~~) (4)(c), and the director of licensing shall
31 deduct from the amount of such tax to be refunded the amount of tax due
32 under this chapter and remit the same each month to the department of
33 revenue.

34 **Sec. 3.** RCW 82.36.415 and 1987 c 220 s 4 are each amended to read
35 as follows:

36 At least once each fiscal year, the director shall request the
37 state treasurer to refund from the motor vehicle fund, to the

1 aeronautics account created under RCW 82.42.090, an amount equal to
2 0.028 percent of the gross motor vehicle fuel tax less an amount equal
3 to aircraft fuel taxes transferred to that account as a result of
4 nonhighway refunds claimed by motor fuel purchasers. The refund shall
5 be considered compensation for unclaimed motor vehicle fuel that is
6 used in aircraft for purposes taxable under RCW 82.42.020. The
7 director shall also remit from the motor vehicle fund the taxes
8 required by RCW 82.12.0256(~~(+3)~~) (4)(c) for the unclaimed refunds,
9 provided that the sum of the amount refunded and the amount remitted in
10 accordance with RCW 82.12.0256(~~(+3)~~) (4)(c) shall not exceed the
11 unclaimed refunds.

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