

FINAL BILL REPORT

SB 6141

C 156 L 04
Synopsis as Enacted

Brief Description: Clarifying the property taxation of vehicles carrying exempt licenses.

Sponsors: Senators Winsley, Kastama, Oke, Franklin, Swecker and Schmidt; by request of Department of Revenue and Department of Veterans Affairs.

Senate Committee on Ways & Means
House Committee on Finance

Background: All real and personal property in this state is subject to property tax each year based on its value unless a specific exemption is provided by law. Taxable property includes both real property and personal property. Real property is land and the buildings, structures, or other improvements made to the land. Personal property includes all other property, including motor vehicles.

Motor vehicles are generally exempt from property taxes. However, the property tax exemption for motor vehicles does not include vehicles carrying exempt licenses, meaning vehicles that are exempt from license fees. Vehicles carrying exempt licenses include private school buses and vehicles owned by certain disabled veterans, former prisoners of war and their surviving spouses, and Congressional Medal of Honor recipients. Private school buses are exempt from property taxes because they are used for schools, but veterans' vehicles are not similarly exempt for another reason.

Summary: Vehicles carrying exempt licenses are exempt from property taxation.

Votes on Final Passage:

Senate 49 0
House 94 0

Effective: June 10, 2004