

SENATE BILL REPORT

SB 5402

As of February 21, 2005

Title: An act relating to exempting ferry fuel used by Washington state ferries from excise taxes.

Brief Description: Exempting ferry fuel used by Washington state ferries from excise taxes.

Sponsors: Senators Oke, Rockefeller, Poulsen and Haugen.

Brief History:

Committee Activity: Transportation: 1/26/05 [w/oRec-WM].

Ways & Means: 2/23/05.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: In general, fuel used for purposes other than for the propulsion of a motor vehicle on public highways is not subject to the motor vehicle fuel tax or special fuel tax. The fuel is however, then subject to the retail sales tax.

If a person purchases fuel for purposes other than use in a motor vehicle on public highways and either the motor vehicle fuel tax or special fuel tax is paid, a refund may be acquired for the fuel tax paid off set by the retail sales tax.

The Washington State ferry system currently pays the retail sales tax on the fuel used for propelling the ferries.

Summary of Bill: Fuel used in ferries operated by the Washington State ferry system are exempt from the retail sales tax and from the special fuel tax.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2005.