
SUBSTITUTE HOUSE BILL 2591

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Transportation (originally sponsored by Representatives B. Sullivan, Blake, Roberts and Lovick)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to special fuel taxes; and amending RCW 82.38.080.

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

3 **Sec. 1.** RCW 82.38.080 and 1998 c 176 s 60 are each amended to read
4 as follows:

5 (1) There is exempted from the tax imposed by this chapter, the use
6 of fuel for:

7 (a) Street and highway construction and maintenance purposes in
8 motor vehicles owned and operated by the state of Washington, or any
9 county or municipality;

10 (b) Publicly owned fire fighting equipment;

11 (c) Special mobile equipment as defined in RCW 46.04.552;

12 (d) Power pumping units or other power take-off equipment of any
13 motor vehicle which is accurately measured by metering devices that
14 have been specifically approved by the department or which is
15 established by any of the following formulae:

16 (i) Pumping propane, or fuel or heating oils or milk picked up from
17 a farm or dairy farm storage tank by a power take-off unit on a
18 delivery truck, at a rate determined by the department: PROVIDED, That
19 claimant when presenting his or her claim to the department in

1 accordance with this chapter, shall provide to the claim, invoices of
2 propane, or fuel or heating oil delivered, or such other appropriate
3 information as may be required by the department to substantiate his or
4 her claim;

5 (ii) Operating a power take-off unit on a cement mixer truck or a
6 load compactor on a garbage truck at the rate of twenty-five percent of
7 the total gallons of fuel used in such a truck; or

8 (iii) The department is authorized to establish by rule additional
9 formulae for determining fuel usage when operating other types of
10 equipment by means of power take-off units when direct measurement of
11 the fuel used is not feasible. The department is also authorized to
12 adopt rules regarding the usage of on board computers for the
13 production of records required by this chapter;

14 (e) Motor vehicles owned and operated by the United States
15 government;

16 (f) Heating purposes;

17 (g) Moving a motor vehicle on a public highway between two pieces
18 of private property when said moving is incidental to the primary use
19 of the motor vehicle;

20 (h) Transportation services for persons with special transportation
21 needs by a private, nonprofit transportation provider regulated under
22 chapter 81.66 RCW;

23 (i) Vehicle refrigeration units, mixing units, or other equipment
24 powered by separate motors from separate fuel tanks; and

25 (j) The operation of a motor vehicle as a part of or incidental to
26 logging operations upon a highway under federal jurisdiction within the
27 boundaries of a federal area if the federal government requires a fee
28 for the privilege of operating the motor vehicle upon the highway, the
29 proceeds of which are reserved for constructing or maintaining roads in
30 the federal area, or requires maintenance or construction work to be
31 performed on the highway for the privilege of operating the motor
32 vehicle on the highway.

33 (2) There is exempted from the tax imposed by this chapter the
34 removal or entry of special fuel under the following circumstances and
35 conditions:

36 (a) If it is the removal from a terminal or refinery of, or the
37 entry or sale of, a special fuel if all of the following apply:

1 (i) The person otherwise liable for the tax is a licensee other
2 than a dyed special fuel user or international fuel tax agreement
3 licensee;

4 (ii) For a removal from a terminal, the terminal is a licensed
5 terminal; and

6 (iii) The special fuel satisfies the dyeing and marking
7 requirements of this chapter;

8 (b) If it is an entry or removal from a terminal or refinery of
9 taxable special fuel transferred to a refinery or terminal and the
10 persons involved, including the terminal operator, are licensed; and

11 (c)(i) If it is a special fuel that, under contract of sale, is
12 shipped to a point outside this state by a supplier by means of any of
13 the following:

14 (A) Facilities operated by the supplier;

15 (B) Delivery by the supplier to a carrier, customs broker, or
16 forwarding agent, whether hired by the purchaser or not, for shipment
17 to the out-of-state point;

18 (C) Delivery by the supplier to a vessel clearing from port of this
19 state for a port outside this state and actually exported from this
20 state in the vessel.

21 (ii) For purposes of this subsection (2)(c):

22 (A) "Carrier" means a person or firm engaged in the business of
23 transporting for compensation property owned by other persons, and
24 includes both common and contract carriers; and

25 (B) "Forwarding agent" means a person or firm engaged in the
26 business of preparing property for shipment or arranging for its
27 shipment.

28 (3) Notwithstanding any provision of law to the contrary, every
29 urban passenger transportation system, and carriers as defined by
30 chapters 81.68 and 81.70 RCW, shall be exempt from the provisions of
31 this chapter requiring the payment of special fuel taxes. For the
32 purposes of this section "urban passenger transportation system" means
33 every transportation system, publicly or privately owned, or owned by
34 or operated on behalf of a regional transit authority authorized to
35 provide public transportation services extending across the corporate
36 limits between two or more counties, having as ~~((its principal))~~ a
37 source of revenue the income from transporting persons for compensation
38 by means of motor vehicles ~~((and/or))~~ or trackless trolleys, each

1 having a seating capacity for over fifteen persons over prescribed
2 routes in such a manner that the routes of such motor vehicles
3 (~~and/or~~) or trackless trolleys, either alone or in conjunction with
4 routes of other such motor vehicles (~~and/or~~) or trackless trolleys
5 subject to routing by the same transportation system, shall not extend
6 for a distance exceeding twenty-five road miles beyond the corporate
7 limits of the county in which the original starting points of such
8 motor vehicles are located(~~(:—PROVIDED, That)~~), except for regional
9 transit authority system routes, which may extend further than twenty-
10 five road miles beyond the corporate limits of the county in which the
11 original starting points of such motor vehicles are located. However,
12 no refunds or credits shall be granted on special fuel used by any
13 urban transportation vehicle, or vehicle operated pursuant to chapters
14 81.68 and 81.70 RCW, on any trip where any portion of said trip is more
15 than twenty-five road miles beyond the corporate limits of the county
16 in which said trip originated, unless such trip is provided by or on
17 behalf of a regional transit authority.

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