
HOUSE BILL 2973

State of Washington

60th Legislature

2008 Regular Session

By Representatives McCune, Kelley, Kretz, Campbell, Hailey, Sequist, Dunn, Wallace, Kristiansen, Walsh, Ericksen, Newhouse, Hasegawa, Ross, Roach, McDonald, Schindler, Ahern, VanDeWege, Linville, Warnick, Eddy, Condotta, Rolfes, Morrell, Nelson, Hurst, Kessler, Bailey, and Ormsby

Read first time 01/18/08. Referred to Committee on Transportation.

1 AN ACT Relating to exempting school buses from fuel taxes; amending
2 RCW 82.38.080; adding a new section to chapter 82.08 RCW; adding a new
3 section to chapter 82.12 RCW; and providing an effective date.

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

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

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

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

12 (b) Publicly owned fire fighting equipment;

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

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

18 (i) Pumping propane, or fuel or heating oils or milk picked up from
19 a farm or dairy farm storage tank by a power take-off unit on a

1 delivery truck, at a rate determined by the department: PROVIDED, That
2 claimant when presenting his or her claim to the department in
3 accordance with this chapter, shall provide to the claim, invoices of
4 propane, or fuel or heating oil delivered, or such other appropriate
5 information as may be required by the department to substantiate his or
6 her claim;

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

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

16 (e) Motor vehicles owned and operated by the United States
17 government;

18 (f) Heating purposes;

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

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

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

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

35 (k) School buses, whether operated by a school district or a
36 commercial chartered bus service to the extent provided in (k)(i)
37 through (v) of this subsection:

1 (i) In fiscal year 2009, the use is exempt from twenty percent of
2 the tax rate provided in RCW 82.38.030;

3 (ii) In fiscal year 2010, the use is exempt from forty percent of
4 the tax rate provided in RCW 82.38.030;

5 (iii) In fiscal year 2011, the use is exempt from sixty percent of
6 the tax rate provided in RCW 82.38.030;

7 (iv) In fiscal year 2012, the use is exempt from eighty percent of
8 the tax rate provided in RCW 82.38.030; and

9 (v) In fiscal year 2013, the use is exempt from one hundred percent
10 of the tax rate provided in RCW 82.38.030.

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

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

16 (i) The person otherwise liable for the tax is a licensee other
17 than a dyed special fuel user or international fuel tax agreement
18 licensee;

19 (ii) For a removal from a terminal, the terminal is a licensed
20 terminal; and

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

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

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

29 (A) Facilities operated by the supplier;

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

33 (C) Delivery by the supplier to a vessel clearing from port of this
34 state for a port outside this state and actually exported from this
35 state in the vessel.

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

37 (A) "Carrier" means a person or firm engaged in the business of

1 transporting for compensation property owned by other persons, and
2 includes both common and contract carriers; and

3 (B) "Forwarding agent" means a person or firm engaged in the
4 business of preparing property for shipment or arranging for its
5 shipment.

6 (3) Notwithstanding any provision of law to the contrary, every
7 urban passenger transportation system and carriers as defined by
8 chapters 81.68 and 81.70 RCW shall be exempt from the provisions of
9 this chapter requiring the payment of special fuel taxes. For the
10 purposes of this section "urban passenger transportation system" means
11 every transportation system, publicly or privately owned, having as its
12 principal source of revenue the income from transporting persons for
13 compensation by means of motor vehicles and/or trackless trolleys, each
14 having a seating capacity for over fifteen persons over prescribed
15 routes in such a manner that the routes of such motor vehicles and/or
16 trackless trolleys, either alone or in conjunction with routes of other
17 such motor vehicles and/or trackless trolleys subject to routing by the
18 same transportation system, shall not extend for a distance exceeding
19 twenty-five road miles beyond the corporate limits of the county in
20 which the original starting points of such motor vehicles are located:
21 PROVIDED, That no refunds or credits shall be granted on special fuel
22 used by any urban transportation vehicle or vehicle operated pursuant
23 to chapters 81.68 and 81.70 RCW on any trip where any portion of said
24 trip is more than twenty-five road miles beyond the corporate limits of
25 the county in which said trip originated.

26 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
27 to read as follows:

28 The tax levied by RCW 82.08.020 does not apply to sales of fuel for
29 use in school buses, whether operated by a school district or a
30 commercial chartered bus service to the extent provided in RCW
31 82.38.080.

32 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
33 to read as follows:

34 The provisions of this chapter do not apply with respect to the use
35 of fuel in the operation of school buses, whether operated by a school

1 district or a commercial chartered bus service to extent provided in
2 RCW 82.38.080.

3 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2008.

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