
Transportation Committee

HB 1576

Brief Description: Determining the amount of motor vehicle fuel tax moneys derived from tax on marine fuel.

Sponsors: Representatives Clibborn, Liias, Roach and Rodne.

Brief Summary of Bill

- Removes the requirement for Department of Licensing to determine the amount of marine fuel tax paid.
- Transfers an amount equal to 1 percent of the motor vehicle fuel tax to the Marine Fuel Tax Refund Account.

Hearing Date: 2/4/09

Staff: Jerry Long (786-7306)

Background:

Any person who uses motor vehicle fuel for marine purposes that has paid fuel tax on the fuel may apply for a refund. At least once every four years, the Department of Licensing (DOL) determines the amount of fuel tax that has been paid on marine fuel. The DOL will perform studies, surveys, or investigations to assist in determining the amount of fuel tax to transfer monthly to the Marine Fuel Tax Refund Account. Marine fuel users may apply to DOL for a refund of the taxes they have paid on fuel for marine use. Applications for refunds must be filed with the DOL no later than the close of the last business day of a period 13 months from the date of purchase. Average annual refunds are \$340,000 per year. The DOL, after taking into account past and anticipated refunds from the Marine Fuel Tax Refund Account, will request the State Treasurer to transfer monthly from that account to the Recreational Resource Account based on 21 cents per gallon from July 1, 2007, through June 30, 2009; 22 cents per gallon from July 1, 2009, through June 30, 2011; and 23 cents per gallon beginning July 1, 2011, and there after. Over the last four years, the average annual tax transfer to the Recreational Resource Account has been \$4.7 million. The remainder is transferred to the Motor Vehicle Account.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Money in the Recreational Resource Account may be used after appropriation by the Legislature. The funding is used for acquiring, improving, and renovating marine facilities.

Between 1965 and 2008, the DOL conducted 12 studies, with the last study being conducted in 2008. Based on the studies, the marine fuel consumption rate is approximately 1 percent of the fuel purchased.

Summary of Bill:

The requirement for the DOL to determine the amount of motor vehicle fuel tax to be transferred to the Marine Fuel Tax Account has been removed. The amount of motor vehicle fuel tax collected on marine fuel is deemed to be 1 percent of the total motor vehicle fuel tax collected annually to be deposited into the Marine Fuel Tax Refund Account.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.