

# FINAL BILL REPORT

## SB 5627

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Synopsis as Enacted

**Brief Description:** Concerning the taxation of commuter air carriers.

**Sponsors:** Senators Eide, Parlette, Ranker, Shin and Litzow.

**Senate Committee on Transportation**  
**Senate Committee on Ways & Means**  
**House Committee on Finance**

**Background:** There are currently three separately-owned airplane operations in Washington that meet the federal definition of a commuter air carrier, which is a company that transports people, property, or mail on aircraft that have less than 60 seats and have a least five scheduled flights a week. One of these companies is located primarily on private property.

Aircraft subject to the state aircraft excise tax are exempt from paying personal property tax. The aircraft excise tax varies by the type of aircraft and ranges from \$20 for a home-built aircraft up to \$125 for a turbojet, multi-engine, fixed-wing plane. Under current law, commercial aircraft engaged principally in commercial flying that constitutes interstate or foreign commerce are subject to Washington State personal property taxes, and not the aircraft excise tax.

Personal property taxes are deposited into the state general fund, while the aviation excise tax is split 10 percent to the state aeronautics account and 90 percent to the state general fund.

**Summary:** A commuter air carrier is defined to be consistent with the federal definition of a commuter air carrier. The definition includes carrying passengers on at least five scheduled round trips per week, with the details of time, day, and route being part of a published schedule. Commuter air carriers that are located primarily on private property are excluded from the definition of an airplane company.

A separate schedule for commuter air carriers that are not considered airplane companies is added to the aircraft excise tax statutes, with payment amounts based on weight and ranging from \$500 to \$4,000 per year.

An aircraft that is owned and operated by a commuter air carrier which is located primarily on private property, and is subject to and has paid the aircraft excise tax, is exempt from property tax.

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*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.*

**Votes on Final Passage:**

Senate	41	8
House	71	22

**Effective:** January 1, 2014.