

2SHB 1110 - H AMD 126

By Representative MacEwen

NOT ADOPTED 03/12/2019

1 On page 2, after line 22, insert the following:

2 "(4) To offset the reduced collection of fuel taxes needed to
3 build transportation projects that will result from this new program,
4 the legislature will backfill the hole in the transportation budget
5 with sales taxes already assessed on passenger vehicles."

6 On page 12, after line 32, insert the following:

7 "**Sec. 13.** RCW 82.08.020 and 2014 c 140 s 12 are each amended to
8 read as follows:

9 (1) There is levied and collected a tax equal to six and five-
10 tenths percent of the selling price on each retail sale in this state
11 of:

12 (a) Tangible personal property, unless the sale is specifically
13 excluded from the RCW 82.04.050 definition of retail sale;

14 (b) Digital goods, digital codes, and digital automated services,
15 if the sale is included within the RCW 82.04.050 definition of retail
16 sale;

17 (c) Services, other than digital automated services, included
18 within the RCW 82.04.050 definition of retail sale;

19 (d) Extended warranties to consumers; and

20 (e) Anything else, the sale of which is included within the RCW
21 82.04.050 definition of retail sale.

22 (2) There is levied and collected an additional tax on each
23 retail car rental, regardless of whether the vehicle is licensed in
24 this state, equal to five and nine-tenths percent of the selling
25 price. The revenue collected under this subsection must be deposited
26 in the multimodal transportation account created in RCW 47.66.070.

27 (3) Beginning July 1, 2003, there is levied and collected an
28 additional tax of three-tenths of one percent of the selling price on
29 each retail sale of a motor vehicle in this state, other than retail
30 car rentals taxed under subsection (2) of this section. The revenue
31 collected under this subsection must be deposited in the multimodal
32 transportation account created in RCW 47.66.070.

1 (4) For purposes of subsection (3) of this section, "motor
2 vehicle" has the meaning provided in RCW 46.04.320, but does not
3 include:

4 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180
5 and 46.04.181, unless the farm tractor or farm vehicle is for use in
6 the production of marijuana;

7 (b) Off-road vehicles as defined in RCW 46.04.365;

8 (c) Nonhighway vehicles as defined in RCW 46.09.310; and

9 (d) Snowmobiles as defined in RCW 46.04.546.

10 (5) Beginning on December 8, 2005, 0.16 percent of the taxes
11 collected under subsection (1) of this section must be dedicated to
12 funding comprehensive performance audits required under RCW
13 43.09.470. The revenue identified in this subsection must be
14 deposited in the performance audits of government account created in
15 RCW 43.09.475.

16 (6) The taxes imposed under this chapter apply to successive
17 retail sales of the same property.

18 (7) The rates provided in this section apply to taxes imposed
19 under chapter 82.12 RCW as provided in RCW 82.12.020.

20 (8)(a) Beginning in fiscal year 2020, a portion of the tax
21 imposed under subsection (1) of this section on the retail sale of a
22 motor vehicle in this state must be deposited to the motor vehicle
23 fund for the sole purpose of funding transportation infrastructure.
24 The disposition of the tax on the retail sale of motor vehicles is as
25 follows:

26 (i) In fiscal year 2020, twenty percent of the collections must
27 be deposited to the motor vehicle fund;

28 (ii) In fiscal year 2021, forty percent of the collections must
29 be deposited to the motor vehicle fund;

30 (iii) In fiscal year 2022, sixty percent of the collections must
31 be deposited to the motor vehicle fund;

32 (iv) In fiscal year 2023, eighty percent of the collections must
33 be deposited to the motor vehicle fund; and

34 (v) In fiscal year 2024 and thereafter, all of the collections,
35 except as otherwise provided by law, must be deposited to the motor
36 vehicle fund.

37 (b) For the purposes of this subsection (8), "motor vehicle,"
38 except within the context of "motor vehicle fund," has the same
39 meaning as provided in subsection (3) of this section.

1 **Sec. 14.** RCW 82.12.045 and 2010 c 161 s 904 are each amended to
2 read as follows:

3 (1) In the collection of the use tax on vehicles, the department
4 of revenue may designate the county auditors of the several counties
5 of the state as its collecting agents. Upon such designation, it
6 shall be the duty of each county auditor to collect the tax at the
7 time an applicant applies for transfer of certificate of title to the
8 vehicle, except when the applicant:

9 (a) Exhibits a dealer's report of sale showing that the retail
10 sales tax has been collected by the dealer;

11 (b) Presents a written statement signed by the department of
12 revenue, or its duly authorized agent showing that no use tax is
13 legally due; or

14 (c) Presents satisfactory evidence showing that the retail sales
15 tax or the use tax has been paid by the applicant on the vehicle in
16 question.

17 (2) As used in this section, "vehicle" has the same meaning as in
18 RCW 46.04.670.

19 (3) It (~~shall be~~) is the duty of every applicant for
20 registration and transfer of certificate of title who is subject to
21 payment of tax under this section to declare upon the application the
22 value of the vehicle for which application is made, which (~~shall~~)
23 must consist of the consideration paid or contracted to be paid
24 therefor.

25 (4) Each county auditor who acts as agent of the department of
26 revenue (~~shall~~) must at the time of remitting vehicle license fee
27 receipts on vehicles subject to the provisions of this section pay
28 over and account to the state treasurer for all use tax revenue
29 collected under this section, after first deducting as a collection
30 fee the sum of two dollars for each motor vehicle upon which the tax
31 has been collected. Except as provided in subsections (7) and (8) of
32 this section, all revenue received by the state treasurer under this
33 section (~~shall~~) must be credited to the general fund. The auditor's
34 collection fee (~~shall~~) must be deposited in the county current
35 expense fund. A duplicate of the county auditor's transmittal report
36 to the state treasurer (~~shall~~) must be forwarded forthwith to the
37 department of revenue.

38 (5) Any applicant who has paid use tax to a county auditor under
39 this section may apply to the department of revenue for refund
40 thereof if he or she has reason to believe that such tax was not

1 legally due and owing. ~~((No))~~ A refund ~~((shall be))~~ is not allowed
2 unless application therefor is received by the department of revenue
3 within the statutory period for assessment of taxes, penalties, or
4 interest prescribed by RCW 82.32.050(4). Upon receipt of an
5 application for refund the department of revenue ~~((shall))~~ must
6 consider the same and issue its order either granting or denying it
7 and if refund is denied the taxpayer ~~((shall have))~~ has the right of
8 appeal as provided in RCW 82.32.170, 82.32.180, and 82.32.190.

9 (6) The provisions of this section ~~((shall))~~ must be construed as
10 cumulative of other methods prescribed in chapters 82.04 through
11 82.32 RCW, inclusive, for the collection of the tax imposed by this
12 chapter. The department of revenue ~~((shall have))~~ has power to
13 promulgate such rules as may be necessary to administer the
14 provisions of this section. Any duties required by this section to be
15 performed by the county auditor may be performed by the director of
16 licensing but no collection fee ~~((shall be))~~ is deductible by
17 ~~((said))~~ the director in remitting use tax revenue to the state
18 treasurer.

19 (7) The use tax revenue collected on the rate provided in RCW
20 82.08.020(3) ~~((shall))~~ must be deposited in the multimodal
21 transportation account under RCW 47.66.070.

22 (8)(a) Beginning in fiscal year 2020, a portion of the use tax
23 revenue collected on the rate provided in RCW 82.08.020(1) with
24 respect to the use of a motor vehicle in this state must be deposited
25 to the motor vehicle fund for the sole purpose of funding
26 transportation infrastructure. The disposition of the tax collected
27 with respect to the use of motor vehicles is as follows:

28 (i) In fiscal year 2020, twenty percent of the collections must
29 be deposited to the motor vehicle fund;

30 (ii) In fiscal year 2021, forty percent of the collections must
31 be deposited to the motor vehicle fund;

32 (iii) In fiscal year 2022, sixty percent of the collections must
33 be deposited to the motor vehicle fund;

34 (iv) In fiscal year 2023, eighty percent of the collections must
35 be deposited to the motor vehicle fund; and

36 (v) In fiscal year 2024 and thereafter, all of the collections,
37 except as otherwise provided by law, must be deposited to the motor
38 vehicle fund.

1 (b) For the purposes of this subsection (8), "motor vehicle,"
2 except within the context of "motor vehicle fund," has the same
3 meaning as provided in RCW 82.08.020(3)."

4 Renumber the remaining sections consecutively, correct any
5 internal references accordingly, and correct the title.

EFFECT: Establishes that a portion of retail sales and use taxes on motor vehicles be deposited in the motor vehicle fund to fund transportation infrastructure, beginning with twenty percent of such collections in fiscal year 2020 and escalating to 100 percent of such collections in fiscal year 2024, except where otherwise provided by law. Adds a provision to the section of the bill that declares legislative findings and intent.

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