
Transportation Committee

SSB 5137

Brief Description: Modifying the aircraft excise tax.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Honeyford and Wagoner).

<p style="text-align: center;">Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Modifies the aircraft excise tax categories and amounts of the tax.• Adds unmanned aircraft and electric aircraft to the types of aircraft that are subject to the excise tax.
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Hearing Date: 3/25/19

Staff: Patricia Hasan (786-7292).

Background:

Aircraft Excise Tax.

Owners of general aviation aircraft, which are most aircraft except those owned by the government or by commercial airlines, annually pay a registration fee and an aircraft excise tax. The aircraft excise tax is based on the type of aircraft and ranges from \$20 to \$150.

Aircraft Category	Current Excise Tax
Single engine, fixed wing	\$50
Small multi-engine, fixed wing	\$65
Turboprop multi-engine fixed wing	\$100

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.

Large multi-engine, fixed wing	\$80
Turbojet multi-engine, fixed wing	\$125
Helicopter	\$75
Sailplane, lighter-than-air, home built	\$20

These rates and aircraft categories have been in place since 1983. Since 2013 certain commuter air carriers are also subject to the aircraft excise tax, and pay the tax based upon the gross maximum take-off weight of the aircraft, in the following manner:

- a weight of less than 4,001 pounds requires an excise tax of \$500;
- a weight between 4,001 and 6,000 pounds requires an excise tax of \$1,000;
- a weight between 6,001 and 8,000 pounds requires an excise tax of \$2,000;
- a weight between 8,001 and 9,000 pounds requires an excise tax of \$3,000; and
- a weight between 9,001 and 12,500 pounds requires an excise tax of \$4,000.

The Washington State Department of Transportation (WSDOT) collects the annual excise tax at the same time as collecting the aircraft registration fee. Revenues from the aircraft excise tax are deposited into the state Aeronautics Account, which is used by the WSDOT Aviation Division for aviation-related grants and activities. Aeronautics Account state funds are also used to leverage additional federal grant funds.

New Types of Aircraft.

The use of small unmanned aircraft (commonly referred to as "drones") by government agencies, private companies, and hobbyists has been increasing as technology improves. Drones over 0.55 pounds must be registered with the Federal Aviation Administration, but not at the state level. Aircraft subject to a state registration fee are also subject to the state excise tax. Manned electric-powered aircraft are not common, but it is an area of developing research. The 2018 state transportation budget directed the WSDOT to convene an electric aircraft work group and report findings and recommendations to the transportation committees of the Legislature by June 30, 2019.

Summary of Bill:

Aircraft Excise Tax.

New categories of aircraft and subsets of existing categories of aircraft are added to the aircraft excise tax schedule. Aircraft excise tax amounts for all categories of aircraft are adjusted and range from \$15 to \$150.

Aircraft Category	Current Excise Tax	SSB 5137	Proposed Excise Tax
		Single engine fixed wing, piston 200 horsepower and less	\$55

Single engine, fixed wing	\$50	Electric equivalent – single engine fixed wing 149 kw (200 horsepower) or less	\$45
		Single engine fixed wing, piston greater than 200 horsepower	\$65
		Electric equivalent – single engine fixed wing greater than 149 kw (200 horsepower)	\$50
		Single engine fixed wing turboprop	\$70
Small multi-engine, fixed wing	\$65	Multi-engine fixed wing, piston less than 12,500 lbs.	\$85
Turboprop multi-engine fixed wing	\$100	Multi-engine fixed wing, turboprop less than 12,500 lbs.	\$100
		Multi-engine fixed wing, turboprop more than 12,500 lbs.	\$120
Large multi-engine, fixed wing	\$80	Multi-engine fixed wing, piston more than 12,500 lbs.	\$110
Turbojet multi-engine, fixed wing	\$125	Turbojet, single-engine fixed wing	\$135
		Turbojet, multi-engine fixed wing	\$150
Helicopter	\$75	Helicopter, piston engine	\$65
		Helicopter, single engine, turbine	\$100
		Helicopter, multi-engine, turbine	\$120
Sailplane, lighter-than-air, home built	\$20	Lighter-than-air, sailplane, experimental amateur built, gyrocopter	\$25
Unmanned aircraft	N/A	Small unmanned aircraft, commercial less than 55 lbs.	\$15
		Large unmanned aircraft, commercial greater or equal to 55 lbs.	\$30

New Types of Aircraft.

Small unmanned aircraft (or "drones") and electric aircraft are added to the list of aircraft that are subject to the aircraft excise tax.

Definitions.

The following definitions are made for use in the aircraft excise tax statutes:

- "Commercial" means an aircraft, manned or unmanned, not used exclusively for hobby or recreation.
- "Electric equivalent" means an aircraft fully powered and propelled electrically or hybrid-powered, which includes a combination of combustion and electric propulsion.
- "Large unmanned aircraft" means a large unmanned aircraft or drone, weighing 55 pounds or more on takeoff.
- "Small unmanned aircraft" means a small unmanned aircraft or drone, weighing less than 55 pounds on takeoff.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on January 1, 2020.