
Transportation Committee

HB 1395

Brief Description: Concerning the distribution of aircraft fuel tax revenue.

Sponsors: Representatives Dent, Barkis, Robertson, Jacobsen, Christian and Eslick.

Brief Summary of Bill

- Changes the distribution of state revenues collected from the sales and use tax for aircraft fuel.
- Requires the Aviation Division of the Department of Transportation to report on the use of the additional revenues.

Hearing Date: 2/20/23

Staff: Michael Hirsch (786-7195).

Background:

Aircraft fuel is gasoline or any other inflammable liquid that is chiefly used as a fuel for the propulsion of aircraft. An excise tax and a sales and use tax is collected on aircraft fuel used in Washington.

An excise tax of 18 cents is levied on distributors for each gallon of aircraft fuel that is sold, delivered, or used in Washington, with some exceptions. This excise tax is collected by the Department of Licensing and remitted to the State Treasurer (Treasurer) for deposit into the Aeronautics Account.

A sales or use tax of 6.5 percent of the selling price of aircraft fuel is collected from purchasers and users of aircraft fuel in Washington. The sales and use tax is collected by a seller of aircraft fuel. The seller of aircraft fuel then remits the collected sales and use tax amount to the

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Department of Revenue (DOR), and the DOR remits the moneys to the Treasurer for deposit into the State General Fund (General Fund).

Summary of Bill:

The sales and use tax collected from purchasers and users of aircraft fuel in Washington is distributed as such:

- During the 2023-2025 biennium, an amount equivalent to imposing a 0.5 percent tax must be credited to the Aeronautics Account.
- Beginning July 1, 2025, an amount equivalent to imposing a 1 percent tax must be credited to the Aeronautics Account.
- The remaining revenues collected from the sales or use tax are deposited into the General Fund.

Requires the Aviation Division of the Washington State Department of Transportation (WSDOT) to track the amount of funds awarded for airport projects through the Airport Aid Grant Program and report details of the tracked amounts to the Transportation Committees of the Legislature annually from 2023-2029 and thereafter as needed. The Aviation Division of the WSDOT must also report biennially the estimated amount of funds returned to the General Fund as a result of the airport projects.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2023.