
HOUSE BILL 1084

State of Washington

69th Legislature

2025 Regular Session

By Representatives Dent, Springer, Keaton, Couture, and Orcutt

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1 AN ACT Relating to establishing tax exemptions for unleaded
2 aircraft fuel; amending RCW 82.42.030, 82.21.040, and 82.23A.030;
3 reenacting and amending RCW 82.42.010; adding a new section to
4 chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding
5 a new section to chapter 82.23B RCW; creating new sections; providing
6 an effective date; and providing expiration dates.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
9 support the eliminate aviation gasoline lead emissions initiative led
10 by the environmental protection agency and the federal aviation
11 administration through incentivizing the adoption of lead-free
12 aviation fuel alternatives. The environmental protection agency has
13 found that lead emissions from certain aircraft engines cause or
14 contribute to lead air pollution that may be reasonably anticipated
15 to endanger public health, and Washington state has a critical
16 interest in ensuring that alternatives to such fuels are broadly
17 available and utilized by the aviation community. In compliance with
18 the clean air act, federal agencies, aviation experts, engineers, and
19 chemists have worked tirelessly to develop alternative lead-free
20 aviation fuel that can be safely utilized by standard piston powered
21 airplanes. The result of this coordinated effort was successful

1 development of an alternative lead-free fuel, yet commercial
2 availability and widespread adoption of this alternative lead-free
3 fuel remains a challenge. The legislature intends to incentivize the
4 widespread adoption of lead-free aviation fuel through providing
5 various excise tax exemptions for both businesses and consumers who
6 utilize these safer alternatives.

7 **Sec. 2.** RCW 82.42.010 and 2024 c 1 s 17 are each reenacted and
8 amended to read as follows:

9 The definitions in this section apply throughout this chapter
10 unless the context clearly requires otherwise.

11 (1) "Air carrier" means any airline, air cargo carrier, air taxi,
12 air commuter, or air charter operator, that provides routine air
13 service to the general population for compensation or hire, and
14 operates at least (~~fifteen~~) 15 round trips per week between two or
15 more points and publishes flight schedules which specify the times,
16 days of the week, and points between which it operates. Where it is
17 doubtful that an operation is for "compensation or hire," the test
18 applied is whether the air service is merely incidental to the
19 person's other business or is, in itself, a major enterprise for
20 profit.

21 (2) "Aircraft" means every contrivance now known or hereafter
22 invented, used or designed for navigation of or flight in the air,
23 operated or propelled by the use of aircraft fuel.

24 (3) "Aircraft fuel" means gasoline and any other inflammable
25 liquid, by whatever name such liquid is known or sold, the chief use
26 of which is as fuel for the propulsion of aircraft, except gas or
27 liquid, the chief use of which as determined by the director, is for
28 purposes other than the propulsion of aircraft.

29 (4) "Dealer" means any person engaged in the retail sale of
30 aircraft fuel.

31 (5) "Deny" means to decline acceptance of an application for
32 licensure or reinstatement.

33 (6) "Department" means the department of licensing.

34 (7) "Director" means the director of licensing.

35 (8) "Distributor" means any person engaged in the sale of
36 aircraft fuel to any dealer and includes any dealer from whom the tax
37 hereinafter imposed has not been collected.

38 (9) "Local service commuter" means an air taxi operator who
39 operates at least five round-trips per week between two or more

1 points; publishes flight schedules which specify the times, days of
2 the week, and points between which it operates; and whose aircraft
3 has a maximum capacity of 60 passengers or 18,000 pounds of useful
4 load.

5 (10) "Person" means every natural person, firm, partnership,
6 association, or private or public corporation.

7 (11) "Refuse" has the same meaning as "deny" in subsection (5) of
8 this section.

9 (12) "Revoke" means to prohibit all authority granted by this
10 chapter, including the display and use of credentials issued by the
11 department for a period of one year or greater or for an indefinite
12 period.

13 (13) "Suspend" means to restrict the grant of authority under
14 this chapter for a period of less than one year.

15 (14) "Unleaded aircraft fuel" means specialized 100 octane fuel
16 used to power piston engine aircraft that does not contain
17 tetraethyllead.

18 **Sec. 3.** RCW 82.42.030 and 2013 c 225 s 303 are each amended to
19 read as follows:

20 The provision of RCW 82.42.020 imposing the payment of an excise
21 tax on each gallon of aircraft fuel sold, delivered or used in this
22 state does not apply to:

- 23 (1) Aircraft fuel sold for export and exported from this state;
- 24 (2) Aircraft fuel imported into the state in interstate or
25 foreign commerce and intended to be sold while in interstate or
26 foreign commerce;
- 27 (3) Aircraft fuel sold to an agency of the United States
28 government;
- 29 (4) Aircraft fuel delivered directly into the aircraft fuel tanks
30 of equipment operated by an air carrier or supplemental air carrier
31 operating under a certificate of public convenience and necessity
32 under the provisions of the federal aviation act of 1958, P.L.
33 85-726, as amended;
- 34 (5) Aircraft fuel delivered directly into the aircraft fuel tanks
35 of equipment operated by a local service commuter;
- 36 (6) Aircraft fuel sold to emergency medical air transport
37 entities;
- 38 (7) Aircraft fuel sold to a licensed aircraft fuel distributor;

1 (8) Aircraft fuel delivered into the bulk storage tank of a
2 certified user;

3 (9) Aircraft fuel used in the operation of aircraft for testing
4 or experimental purposes; (~~and~~)

5 (10) Aircraft fuel used in the operation of aircraft when such
6 operation is for the training of crews in Washington state for
7 purchasers of aircraft who are certified air carriers; and

8 (11) Unleaded aircraft fuel sold, delivered, or used in the
9 state.

10 NEW SECTION. Sec. 4. A new section is added to chapter 82.08
11 RCW to read as follows:

12 (1) The tax levied by RCW 82.08.020 does not apply to sales of
13 unleaded aircraft fuel as defined in RCW 82.42.010.

14 (2) This section expires January 1, 2032.

15 NEW SECTION. Sec. 5. A new section is added to chapter 82.12
16 RCW to read as follows:

17 (1) The provisions of this chapter do not apply with respect to
18 the use of unleaded aircraft fuel as defined in RCW 82.42.010.

19 (2) This section expires January 1, 2032.

20 **Sec. 6.** RCW 82.21.040 and 2024 c 241 s 1 are each amended to
21 read as follows:

22 The following are exempt from the tax imposed in this chapter:

23 (1) Any successive possession of a previously taxed hazardous
24 substance. If tax due under this chapter has not been paid with
25 respect to a hazardous substance, the department may collect the tax
26 from any person who has had possession of the hazardous substance. If
27 the tax is paid by any person other than the first person having
28 taxable possession of a hazardous substance, the amount of tax paid
29 shall constitute a debt owed by the first person having taxable
30 possession to the person who paid the tax.

31 (2) Any possession of a hazardous substance by a natural person
32 under circumstances where the substance is used, or is to be used,
33 for a personal or domestic purpose (and not for any business purpose)
34 by that person or a relative of, or person residing in the same
35 dwelling as, that person.

36 (3) Any possession of a hazardous substance amount which is
37 determined as minimal by the department of ecology and which is

1 possessed by a retailer for the purpose of making sales to ultimate
2 consumers. This exemption does not apply to pesticide or petroleum
3 products.

4 (4) Any possession of alumina or natural gas.

5 (5) (a) Until January 1, 2028, any possession of a hazardous
6 substance as defined in RCW 82.21.020(1)(c) that is solely for use by
7 a farmer or certified applicator as an agricultural crop protection
8 product and warehoused in this state or transported to or from this
9 state, provided that the person possessing the substance does not
10 otherwise use, manufacture, package for sale, or sell the substance
11 in this state.

12 (b) The definitions in this subsection apply throughout this
13 section unless the context clearly requires otherwise.

14 (i) "Agricultural crop protection product" means a chemical
15 regulated under the federal insecticide, fungicide, and rodenticide
16 act, 7 U.S.C. Sec. 136 as amended as of September 1, 2015, when used
17 to prevent, destroy, repel, mitigate, or control predators, diseases,
18 weeds, or other pests.

19 (ii) "Certified applicator" has the same meaning as provided in
20 RCW 17.21.020.

21 (iii) "Farmer" has the same meaning as in RCW 82.04.213.

22 (iv) "Manufacturing" includes mixing or combining agricultural
23 crop protection products with other chemicals or other agricultural
24 crop protection products.

25 (v) "Package for sale" includes transferring agricultural crop
26 protection products from one container to another, including the
27 transfer of fumigants and other liquid or gaseous chemicals from one
28 tank to another.

29 (vi) "Use" has the same meaning as in RCW 82.12.010.

30 (6) Any possession of unleaded aircraft fuel as defined in RCW
31 82.42.010.

32 (7) Persons or activities which the state is prohibited from
33 taxing under the United States Constitution.

34 **Sec. 7.** RCW 82.23A.030 and 1989 c 383 s 17 are each amended to
35 read as follows:

36 The following are exempt from the tax imposed in this chapter:

37 (1) Any successive possession of a previously taxed petroleum
38 product. If tax due under this chapter has not been paid with respect
39 to a petroleum product, the department may collect the tax from any

1 person who has had possession of the petroleum product. If the tax is
2 paid by any person other than the first person having taxable
3 possession of a petroleum product, the amount of tax paid shall
4 constitute a debt owed by the first person having taxable possession
5 to the person who paid the tax.

6 (2) Any possession of a petroleum product by a natural person
7 under circumstances where the substance is used, or is to be used,
8 for a personal or domestic purpose (and not for any business purpose)
9 by that person or a relative of, or person residing in the same
10 dwelling as, that person.

11 (3) Persons or activities which the state is prohibited from
12 taxing under the United States Constitution.

13 (4) Any persons possessing a petroleum product where such
14 possession first occurred before July 1, 1989.

15 (5) Any possession of (a) natural gas, (b) petroleum coke, or (c)
16 liquid fuel or fuel gas used in petroleum processing.

17 (6) Any possession of petroleum products that are exported for
18 use or sale outside this state as fuel.

19 (7) Any possession of petroleum products packaged for sale to
20 ultimate consumers.

21 (8) Any possession of unleaded aircraft fuel as defined in RCW
22 82.42.010.

23 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.23B
24 RCW to read as follows:

25 (1) The provisions of this chapter do not apply with respect to
26 the receipt of unleaded aircraft fuel as defined in RCW 82.42.010.

27 (2) This section expires January 1, 2032.

28 NEW SECTION. **Sec. 9.** (1) This section is the tax preference
29 performance statement for the tax preferences contained in this act.
30 This performance statement is only intended to be used for subsequent
31 evaluation of the tax preferences. It is not intended to create a
32 private right of action by any party or be used to determine
33 eligibility for preferential tax treatment.

34 (2) The legislature categorizes these tax preferences as ones
35 intended to induce certain designated behavior by taxpayers, as
36 indicated in RCW 82.32.808(2) (a).

37 (3) It is the legislature's specific public policy objective to:

1 (a) Incentivize utilization of alternative 100 octane unleaded
2 aircraft fuel by the aviation community; and

3 (b) Increase the availability of unleaded aircraft fuel in the
4 marketplace.

5 (4) It is the legislature's intent to incentivize the adoption,
6 utilization, and availability of unleaded aircraft fuel in order to
7 facilitate the phaseout of 100LL aircraft fuel in Washington state.

8 (5) The legislature intends to extend the expiration date of the
9 tax preferences in this act, if a review finds that:

10 (a) Aircraft operators or pilots of piston powered aircraft are
11 transitioning from use of leaded aircraft fuel to use of unleaded
12 aircraft fuel;

13 (b) Unleaded aircraft fuel is available for purchase at an
14 increasing number of airports across Washington state; and

15 (c) Lead emissions from aircraft engines has decreased within
16 Washington state.

17 (6) In order to obtain the data necessary to perform the review
18 in subsection (5) of this section, the joint legislative audit and
19 review committee must refer to reports or data issued by the
20 environmental protection agency, federal aviation administration,
21 eliminate aviation gasoline lead emissions initiative partnership,
22 department of revenue, department of ecology, and other involved
23 federal, state, or local agencies, or stakeholder groups aiding in
24 the transition to lead-free aircraft fuel alternatives. The committee
25 may also refer to data provided by individual aircraft fuel
26 distributors, airports, pilots, aircraft operators, and any other
27 data sources, as needed.

28 NEW SECTION. **Sec. 10.** Sections 1 through 3 and 6 of this act
29 expire January 1, 2032.

30 NEW SECTION. **Sec. 11.** Section 7 of this act expires July 1,
31 2031.

32 NEW SECTION. **Sec. 12.** This act takes effect August 1, 2025.

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