

AIRCRAFT FUEL TAX
RCW 82.42

Tax Base Each gallon of fuel sold, delivered, or used in aircraft (except fuel used by commercial and other exempt aircraft) within the state. NOTE: Aircraft fuel is also subject to retail sales/use tax.

Tax Rate 11 cents per gallon.

Levied by State

Administration Department of Licensing. Distributors of aircraft fuel report the tax on a monthly basis; the tax return is due by the 25th of the succeeding month.

Recent Collections (\$000)

<u>Fiscal Year</u>	<u>Collections</u>	<u>% Change</u>	<u>% of All State Taxes</u>
2006	\$2,602	1.4%	0.0%
2005	2,565	12.5	0.0
2004	2,281	32.1	0.0
2003	1,727	(5.0)	0.0
2002	1,817	(7.6)	0.0
2001	1,966	20.5	0.0
2000	1,632	25.1	0.0
1999	1,305	(30.1)	0.0
1998	1,867	(13.1)	0.0
1997	2,149	75.3	0.0

Distribution of Receipts

Aeronautics account within the state general fund. Proceeds are used by the Aeronautics Division of the Department of Transportation.

Exemptions

- fuel for aircraft that operate at least 95 percent of the time from private airfields and are used principally for agricultural spraying;
- aircraft fuel that is sold for export;
- fuel for use in commercial air carriers;

- fuel used for aircraft testing or experimental purposes;
- fuel used in training of crews for purchasers of commercial airlines;
- fuel used by local commuter airlines;
- fuel used for emergency medical transport;
- aircraft fuel imported into the state and then sold in interstate commerce;
- aircraft fuel sold to the federal government.

History

The tax was adopted in 1967 at a rate of 2 cents per gallon. A variable tax rate calculation was established in 1982 and the minimum tax of 5 cents was added in 1983. The variable rate was discontinued in 2003, and the statutory rate was set at 10 cents per gallon. As a result of significantly increased export sales in 1989, the statute pertaining to the export exemption was clarified in 1989 to require detailed reporting of data on such sales.

Changes in the aircraft fuel tax rate occurred as follows:

July 1982	-	5.0 cents/gallon
January 1983	-	3.0 "
May 1983	-	5.0 "
July 1989	-	5.5 "
January 1991	-	6.5 "
July 1991	-	6.0 "
January 1997	-	6.5 "
July 1998	-	6.0 "
July 2000	-	6.5 "
January 2001	-	7.5 "
July 2003	-	10.0 "
July 2005	-	11.0 "

Discussion/Major Issues

Because of the exemption of fuel used by commercial airlines, the aircraft fuel tax is mostly paid by private owners of small aircraft which are used for personal or business purposes.