

## PROPERTY TAXES

### IN LIEU EXCISE TAXES - MOTOR VEHICLE EXCISE TAX

#### 82.44.010(2) EXCLUDED VEHICLES

Description: The definition of motor vehicle for the state motor vehicle excise tax (repealed in 2000 but assumed to apply to local MVETs) excludes the following: (1) vehicles with exempt licenses; (2) automotive equipment not used on public streets; (3) vehicles and trailers used exclusively on private property; (4) mobile homes and travel trailers; and (5) vehicles owned by nonresident military personnel.

Purpose: This statute covers vehicles which are not intended to be subject to vehicle excise taxes, e.g., those not used on public streets and highways. The exclusion of vehicles of military personnel stationed in Washington reflects the fact that their vehicles were potentially subject to tax in their home state.

Category/Year Enacted: Tax base. 1955 (nonresident military personnel)

Primary Beneficiaries: Nonresident military personnel based in Washington.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
State tax - repealed in 2000				
Local taxes*	\$ 0	\$ 0	\$ 0	\$ 0

\*based on only 0.85% monorail tax, assuming few military personnel live within Seattle (0.3% RTA tax overturned by the State Supreme Court on 10/30/2003).

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? No.

#### 82.44.015 RIDE-SHARING VEHICLES

Description: Exemption from motor vehicle excise tax is provided for passenger vehicles used primarily for commuter ride sharing and transportation of persons with special needs.

Purpose: To encourage commute trip reduction and thereby help to alleviate congestion on the state's highways and streets.

Category/Year Enacted: Other. 1980

Primary Beneficiaries: Firms that operate van pools for their employees

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
State tax - repealed in 2000				
Local taxes*	\$ 128	\$ 134	\$ 139	\$ 144

\*based on only the 0.85% monorail tax (0.3% RTA tax overturned by the State Supreme Court).

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

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### **82.44.022 PERSONAL-USE VEHICLES; \$30 CREDIT**

Description: This statute contains a credit against the state motor vehicle tax for each personal use vehicle equal to the amount of the tax otherwise due or \$30, whichever is less. This was intended to reduce the state MVET for passenger vehicles, light trucks and motorcycles, if they were registered to a private individual and not owned by a business.

Purpose: To reduce the state MVET, prior to its repeal by the Legislature in 2000.

Category/Year Enacted: Individuals. 1998

Primary Beneficiaries: None.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) No impact, as the entire state MVET has been repealed.

### **82.44.023 RENTAL CARS**

Description: This statute exempts vehicles used as rental cars, as defined in RCW 46.04.465, from the state motor vehicle excise tax.

Purpose: To equalize the treatment of rental cars registered in Washington and other states.

Category/Year Enacted: Tax base. 1992

Primary Beneficiaries: None.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) None. This statute addresses only the state MVET which was repealed by the Legislature in 2000. Presumably, the exemption does not apply to the local MVETs.

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### 82.44.025 TAIPEI ECONOMIC/CULTURAL VEHICLES

Description: This statute exempts vehicles owned by or leased to the Taipei Economic and Cultural Office from the state motor vehicle excise tax.

Purpose: To treat Taipei vehicles in the same manner as official consular vehicles of other nations.

Category/Year Enacted: Government. 1996

Primary Beneficiaries: None.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) None. This statute addresses only the state MVET which was repealed by the Legislature in 2000. Presumably, the exemption does not apply to the local MVETs.