



Fuel Tax



35.58.560 - Credit of motor vehicle fuel taxes for METRO

Description Metropolitan municipal corporations may take an offset against gross revenue subject to any state tax for expenditures made from such gross revenue for planning or performing public transportation.

Purpose To support public transportation in the Puget Sound area.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Department of Licensing fuel tax data does not identify this exemption separately.
- This is included under the exemption for fuel for urban passenger transportation systems, RCW 82.38.080 and 82.38.180.

Data Sources Department of Licensing data

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1967
Primary Beneficiaries:	Metro transit systems and their patrons
Taxpayer Count:	Fewer than three
Program Inconsistency:	Other municipalities pay public utility tax on income associated with operating transportation systems – except for the deduction for income devoted to service improvements for low-income and elderly customers (RCW 82.16.050(14))
JLARC Review:	Not on JLARC review schedule

82.38.080 - Other special fuel tax exemptions

Description The sales of special fuel (i.e., fuel other than gasoline) to publicly or privately owned urban transportation systems are generally exempt from the special fuel tax.

Additionally, sales of fuel for the following uses are exempt from the special fuel tax:

- (a) Street and highway construction and maintenance in state, county, or municipality-owned and operated motor vehicles;
- (b) Publicly owned firefighting equipment;
- (c) Vehicles not designed or used primarily for transporting people or property (e.g., road construction machinery, self-propelled cranes, etc.);
- (d) Certain motor vehicle power take-off equipment;
- (e) U.S. government-owned motor vehicles;
- (f) Heating purposes;
- (g) Moving between two pieces of private property a motor vehicle on a public highway;
- (h) Transportation services for persons with special needs by a private nonprofit transportation provider;
- (i) Equipment such as mixing units or refrigeration units powered by motors separate from vehicle fuel tanks;
- (j) Operation of a motor vehicle as a part of a logging operation upon a federal highway within a federal area if the vehicle's use of the highway is subject to a fee related to federal roads or highways; and
- (k) Waste vegetable oil used to manufacture biodiesel.

The removal or entry of special fuel is exempt from special fuel tax if the fuel is dyed special fuel; if the persons involved are licensed; or if it shipped to a point outside Washington.

Purpose To recognize that some fuels suitable for propelling motor vehicles are also put to other uses and to support governmental entities and public transportation.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would increase revenues.

Continued

82.38.080 - Other special fuel tax exemptions

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- No taxpayer took this exemption in Fiscal Year 2014 according to the Department of Licensing data.
- There will be no revenue impact in future years.

Data Sources

Department of Licensing Fuel Taxpayer Database

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1971
Primary Beneficiaries:	Special fuel tax users not covered under other exemptions
Taxpayer Count:	0
Program Inconsistency:	None
JLARC Review:	Not on JLARC review schedule

82.38.080(1a-c) - Government and public uses

Description The following sales of special fuel are exempt from the fuel tax:

- a) Sales to the state of Washington, any county, or any municipality when the fuel is used for street and highway construction and maintenance purposes in motor vehicles owned and operated by the jurisdiction;
- b) Sales for use in publicly owned firefighting equipment; and
- c) Sales to the United States government.

Purpose Lowers the costs of government and public services.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.696	\$3.123	\$3.193	\$3.245
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$2.863	\$3.193	\$3.245
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate for the special fuel tax collections reflected in the March 2015 Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Department of Licensing Fiscal Year 2014 fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1971
Primary Beneficiaries:	Federal, State, and Local government agencies
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2012

82.38.080(1d); 82.38.180(3a) - Special needs transportation

Description Private, nonprofit organizations that provide transportation services for persons with special transportation needs are exempt from the motor vehicle fuel and special fuel taxes.

Purpose Supports transportation programs for the elderly and handicapped.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.450	\$0.516	\$0.520	\$0.523
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.473	\$0.520	\$0.523
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate for the combined special and motor vehicle fuel tax collections reflected in the March 2015 Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Department of Licensing Fiscal Year 2014 fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1983
Primary Beneficiaries:	Transportation Providers for Persons with Special Needs
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed an expedited review in 2011

82.38.080(1e) - Waste vegetable oil biodiesel

Description Waste vegetable oil used to manufacture biodiesel is exempt from the special fuel tax.

Purpose To promote the manufacturing of alternative fuels and to lower their cost.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions The taxpayer savings and the additional revenue recognized upon repeal are indeterminate.

Data Sources The Department of Licensing does not separately track this exemption, unable to find information through outside sources.

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2008
Primary Beneficiaries:	Biodiesel Fuel Manufacturers
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2012

82.38.080(1f)(1g); 82.38.180(3b) - Urban transportation

Description Fuel sold to publicly and privately owned urban passenger transportation systems is exempt from the special fuel tax.

Purpose To lower the operating costs of public transportation systems.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$12.802	\$14.698	\$14.802	\$14.882
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$13.474	\$14.802	\$14.882
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate for the combined fuel tax collections reflected in the March 2015 Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Department of Licensing Fiscal Year 2014 fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1957
Primary Beneficiaries:	Urban Transportation Systems
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed an expedited review in 2010

82.38.080(2a) - Fuel sold to the military

Description Sales of fuel to the armed forces of the United States or the national guard are exempt from the special fuel tax if the fuel is:

- used exclusively in ships, or
- exported from Washington.

Purpose Encourages the purchase of fuel in Washington and saves the armed forces the administrative burden of applying for a fuel tax refund for the amount used in ships.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.024	\$0.027	\$0.027	\$0.028
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.024	\$0.027	\$0.027	\$0.028
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate for the special fuel tax collections reflected in the March 2015 Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Department of Licensing Fiscal Year 2014 fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1933
Primary Beneficiaries:	United States Military
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	Excluded from JLARC review

82.38.080(2b) - Fuel sold to foreign governments

Description Fuel sold to foreign diplomatic and consular missions are exempt from the special fuel taxes if the foreign government represented grants an equivalent exemption to missions and personnel of the United States performing similar services in the foreign country.

Purpose To maintain good foreign relations.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.014	\$0.015	\$0.016	\$0.016
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.014	\$0.016	\$0.016
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate for the motor vehicle fuel tax collections reflected in the March 2015 Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Department of Licensing Fiscal Year 2014 fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1967
Primary Beneficiaries:	Foreign Governments
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed an expedited review in 2010

82.38.080(2c) - Racing fuel

Description Sales of fuel used exclusively for racing, and not legally allowed on the public highways of this state is exempt from the special fuel tax.

Purpose To recognize fuel tax receipts can only be used for highway purposes.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This type of fuel is not typically available to the general public, is brought in from out of state, used for off road purposes, cannot be used in standard motor vehicles without substantial modification to the vehicle engine, and does not have fuel tax included in the sales price.
- The taxpayer savings on this exemption is indeterminate, but minimal.
- Indeterminate but minimal revenue would be recognized by the state if this exemption is repealed.

Data Sources The Department of Licensing Fuel Tax Data Section does not track this exemption.

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1998
Primary Beneficiaries:	Automobile Racetracks and Racing Teams
Taxpayer Count:	396
Program Inconsistency:	None
JLARC Review:	Not reviewed by JLARC

82.38.083 - Handling losses for motor vehicle fuel

Description A motor vehicle and special fuel tax deduction is allowed for losses sustained in handling fuel. The deduction is 0.25 percent of the net taxable gallons for vehicle fuel suppliers acting as a distributor and 0.31 percent for all other licensees.

Purpose To reflect fuel losses resulting from handling and evaporation.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$3.292	\$3.780	\$3.807	\$3.828
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$3.465	\$3.807	\$3.828
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate for the combined fuel tax collections reflected in the March 2015 Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Department of Licensing Fiscal Year 2014 fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2013
Primary Beneficiaries:	All fuel taxpayers
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	Not on JLARC review schedule

82.38.180(1a) - Non-highway fuel use

Description The motor vehicle and special fuel taxes may be refunded for taxes paid on fuel purchased for purposes other than propulsion of motor vehicles upon highways of this state. A refund may not be made for fuel consumed by a motor vehicle required to be registered under 46.16A RCW.

Purpose Under the 18th Amendment to the state constitution, fuel tax receipts can only be used for highway purposes. The refund helps to assure that the tax applies only to fuel used on public highways.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$8.722	\$10.090	\$10.296	\$10.445
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$9.249	\$10.296	\$10.445
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rates for motor vehicle and special fuel taxes reflected in the March 2015 Fuel Tax forecast.
- This estimate does not include the use tax deducted from the refunded amounts; the use tax adjustment would remain and not impact the net change.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Department of Licensing fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1923
Primary Beneficiaries:	Users of fuel for off public road purposes
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2007

82.38.180(1b) - Exported fuel refunds

Description The motor vehicle and special fuel taxes may be refunded for taxes paid on fuel exported for use outside this state. This does not include fuel distributed to a federally recognized Indian tribal reservation within Washington.

Purpose To impose fuel tax only on fuel used on Washington's public highways.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.177	\$2.503	\$2.527	\$2.545
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$2.295	\$2.527	\$2.545
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the motor vehicle and special fuel tax growth rates reflected in the March 2015 Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Washington State Department of Transportation March 2015 Fuel Tax Forecast
- Department of Licensing Taxpayer Data

Additional Information

Additional Information	
Category:	Interstate Commerce
Year Enacted:	1923
Primary Beneficiaries:	Fuel Exporters
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2007

82.38.180(1d,e); 82.38.180(2d) - Lost or destroyed fuel

Description The motor vehicle and special fuel taxes may be refunded for taxes paid on fuel which is lost or destroyed through fire, lightening, flood, wind storm, or explosion. A tax refund is also available for losses of 500 gallons or more through leakage or other casualty except evaporation, shrinkage, or other unknown causes.

A refund may be requested for special fuel taxes paid on fuel inadvertently mixed with dyed special fuel.

Purpose To impose fuel tax only on fuel used on Washington's public highways.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions The amounts for this exemption are included with the exemption for non highway fuel use, RCW 82.38.18(1a).

Data Sources

- Department of Licensing fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1923
Primary Beneficiaries:	Persons who lost fuel or had fuel destroyed
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2007

82.38.180(1f) - Power pumping unit

Description The motor vehicle or special fuel tax may be refunded for tax paid on fuel used in power pumping units or other power take-off equipment of any motor vehicle which is accurately measured by metering devices that have been specifically approved by the Department of Licensing or by a formula determined by the Department of Licensing.

Purpose Under the 18th Amendment to the state constitution, fuel tax receipts can only be used for highway purposes. The refund helps to assure that the tax applies only to fuel used on public highways.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.793	\$3.235	\$3.307	\$3.360
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$2.965	\$3.307	\$3.360
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rates for motor vehicle and special fuel taxes reflected in the March 2015 Fuel Tax forecast.
- This estimate does not include the use tax deducted from the refunded amounts; the use tax adjustment would remain and not impact the net change.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.
- This estimate includes the increase in the motor vehicle and special fuel tax rates enacted by 2ESSB 5987 (2015).

Data Sources

- Department of Licensing fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1971
Primary Beneficiaries:	Persons that use power pumping equipment
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2012

82.38.180(2a) - Logging operations using federally owned roads

Description The special fuel tax may be refunded for tax paid on fuel used for the operation of a motor vehicle as a part of or incidental to logging operations on a highway under federal jurisdiction within the boundaries of a federal area if:

- The federal government requires a fee for the privilege of operating the motor vehicle upon the highway, or
- The proceeds are reserved for constructing or maintaining roads in the federal area.

Purpose To lower the cost of logging operations on federal land.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions The amounts for this exemption are included with the exemption for non highway fuel use, RCW 82.38.18(1a).

Data Sources

- Department of Licensing fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1998
Primary Beneficiaries:	Logging Companies and Log Haulers
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2012

82.38.180(2b) - Special mobile equipment

Description The special fuel tax may be refunded on tax paid on fuel used by special mobile equipment as defined in RCW 46.04.552.

Purpose Fuel tax receipts can only be used for highway purposes under the 18th Amendment to the state constitution. The refund helps to assure that the tax applies only to fuel used on public highways.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions The amounts for this exemption are included with the exemption for non highway fuel use, RCW 82.38.18(1a).

Data Sources

- Department of Licensing fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1971
Primary Beneficiaries:	Persons using special mobile equipment
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2012

82.38.180(2c) - Incidental use of public highway

Description The special fuel tax paid on fuel may be refunded for fuel in a motor vehicle used for movement between two pieces of private property where the movement is incidental to the primary use of the vehicle.

Purpose Under the 18th Amendment to the state constitution, fuel tax receipts can only be used for highway purposes. The refund helps to assure that the tax applies only to fuel used on public highways.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

The amounts for this exemption are included with the exemption for non highway fuel use, RCW 82.38.18(1a).

Data Sources

- Department of Licensing fuel tax data
- Washington State Department of Transportation March 2015 Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1979
Primary Beneficiaries:	General Public
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2012

82.42.020 - Fuel previously taxed

Description The aircraft fuel tax is collected and paid to the state only once for the same fuel. Sales of aircraft fuel on which the tax was previously paid are deductible from the total tax due.

Purpose To eliminate double taxation.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.355	\$0.359	\$0.363	\$0.367
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.329	\$0.363	\$0.367
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate reflected in the March 2015 Aviation Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.

Data Sources

- Department of Licensing fuel tax data
- Department of Transportation March 2015 Aviation Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1967
Primary Beneficiaries:	Aviators
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC has not scheduled for review

82.42.030(1,2) - Imported and exported fuel

Description Aircraft fuel sold for export and exported from Washington and fuel imported into this state intended for use in foreign or interstate commerce is exempt from the aircraft fuel tax.

Purpose To encourage the sale of aircraft fuel in Washington.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$76.197	\$77.336	\$78.287	\$79.123
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$70.891	\$78.287	\$79.123
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate reflected in the March 2015 Aviation Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.

Data Sources

- Department of Licensing fuel tax data
- Department of Transportation March 2015 Aviation Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1967
Primary Beneficiaries:	Fuel Importers and Exporters
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2011

82.42.030(3) - Aircraft fuel sold to federal government

Description Aircraft fuel sold to the federal government is exempt from the aircraft fuel tax.

Purpose To lower the cost of government.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$5.602	\$5.686	\$5.756	\$5.817
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$5.212	\$5.756	\$5.817
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate reflected in the March 2015 Aviation Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.

Data Sources

- Department of Licensing fuel tax data
- Department of Transportation March 2015 Aviation Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1971
Primary Beneficiaries:	Federal Government
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	Excluded from JLARC review

82.42.030(4,5) - Commercial air operations

Description The aircraft fuel tax does not apply to fuel used by commercial air carriers, supplemental carriers licensed under a certificate of public convenience, or a local service commuter if the fuel is delivered directly into the aircraft fuel tanks.

Purpose To lower the cost of air carrier operations.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$45.907	\$46.593	\$47.166	\$47.669
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$42.710	\$47.166	\$47.669
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate reflected in the March 2015 Aviation Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.

Data Sources

- Department of Licensing fuel tax data
- Department of Transportation March 2015 Aviation Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1967
Primary Beneficiaries:	Commercial Air Carriers
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2011

82.42.030(6) - Emergency air transportation

Description Aircraft fuel sold to emergency medical air transport service providers is exempt from the aircraft fuel tax.

Purpose Lowers the cost of providing emergency medical air transport services.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$1.963	\$1.993	\$2.017	\$2.039
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$1.827	\$2.017	\$2.039
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate reflected in the March 2015 Aviation Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.

Data Sources

- Department of Licensing fuel tax data
- Department of Transportation March 2015 Aviation Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2003
Primary Beneficiaries:	Medical Air Transport Service Providers
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC is reviewing in 2014

82.42.030(7) - Fuel sold to licensed distributors

Description Aircraft fuel sold to a licensed aircraft fuel distributor is exempt from the aircraft fuel tax.

Purpose To avoid double taxation.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$40.642	\$41.249	\$41.757	\$42.202
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would not increase revenues. RCW 82.42.020 states, “The taxes imposed by this chapter must be collected and paid to the state but once in respect to any aircraft fuel.” Without this exemption, taxes would be collected, and then refunded.

Potential revenue gains from full repeal *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions The growth rate will mirror the growth rate reflected in the March 2015 Aviation Fuel Tax forecast.

Data Sources

- Department of Licensing fuel tax data
- Department of Transportation March 2015 Aviation Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Aircraft Fuel Distributors
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC has scheduled to review in 2023

82.42.030(8) - Fuel delivered into certified bulk storage tanks

Description Aircraft fuel delivered into the bulk storage tank of a certified user is exempt from the aircraft fuel tax.

Purpose To lower the cost of operations for commercial air carriers.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$14.239	\$14.452	\$14.630	\$14.786
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$13.248	\$14.630	\$14.786
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will mirror the growth rate reflected in the March 2015 Aviation Fuel Tax forecast.
- July 1, 2016 effective date, with 11 months of collections in Fiscal Year 2017.

Data Sources

- Department of Licensing fuel tax data
- Department of Transportation March 2015 Aviation Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Certified Users of Aviation Fuel
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC has scheduled to review in 2023

82.42.030(9,10) - Aircraft testing or crew training

Description The aircraft fuel tax does not apply for fuel used in aircraft utilized for:

- Testing or experimental purposes, or
- Training of crews of certified air carriers in Washington.

Purpose To lower operating costs of developing new aircraft and for training crews of certified air carriers.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

The amounts for this exemption are included with the amounts for sales of aviation fuel used by commercial air carriers, RCW 82.42.030 (4)(5)

Data Sources

- Department of Licensing fuel tax data
- Department of Transportation March 2015 Aviation Fuel Tax Forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1967
Primary Beneficiaries:	Persons who train commercial pilots or use aircraft in testing or experimental purposes
Taxpayer Count:	Unknown, not tracked by Department of Licensing
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2011

82.42.230(1) - Crop dusting

Description A refund is available for aircraft fuel tax paid on fuel consumed in aircraft principally used for spraying crops if the aircraft operates from a private, non-state-funded airfield during at least 95 percent of the aircraft's normal use.

Purpose To lower the tax burden on agriculture.

Taxpayer savings (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal (\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions Taxpayer savings are unknown due to a lack of specific data from the Department of Licensing.

Data Sources Department of Licensing

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1982
Primary Beneficiaries:	Unknown
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2011