

Chapter 24

Vehicle Excise Tax

82.44.010(2) - Excluded vehicles

Description The motor vehicle excise tax does not apply to the following vehicles:

- Campers, as defined in RCW 46.04.085;
- Dock and warehouse tractors and their cars or trailers;
- Equipment not designed primarily for use on public highways;
- Exempt registered vehicles;
- Lumber carriers of the type known as spiders;
- Mobile homes, as defined in RCW 46.04.302;
- Passenger motor vehicles, as described in RCW 82.44.015;
- Travel trailers, as defined in RCW 46.04.623;
- Vehicles not used on the public highways; and,
- Vehicles owned by nonresident military personnel of the armed forces of the U.S. stationed in the State of Washington if the nonresident military member was a nonresident of this state when enlisted into military service.

Purpose The state tax was repealed in 2000 for most vehicles, there are some local motor vehicle excise taxes earmarked for funding of specific local projects and services.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

Repeal of exemption

Repealing this exemption would increase local revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

Assumptions

- State motor vehicle excise tax was repealed in 2000.
- State revenues would not be impacted if the exemptions under RCW 82.44.125 were repealed.
- Local revenues would be realized if these exemptions were repealed and local jurisdictions chose to assess, but these are indeterminate at this time.

Data Sources None

82.44.010(2) - Excluded vehicles

**Additional
Information**

Additional Information	
Category:	Tax Base
Year Enacted:	1955
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

82.44.015 - Ride-sharing vehicles

Description The motor vehicle excise tax is exempt on passenger vehicles used primarily for commuter ride sharing and transportation of persons with special needs. The vehicles must be used as ride-sharing vehicles for 36 consecutive months beginning from the date of purchase and, in the case of vehicles used for commuter ride-sharing, meet vehicle and operation requirements.

Purpose To encourage commute trip reduction and to alleviate congestion on the state's highways and assist those with special needs.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

Repeal of exemption

Repealing this exemption would increase only local revenues because the state tax has been repealed.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

Assumptions

- State excise tax was repealed, so no state impact.
- Indeterminate local impact.

Data Sources

None

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1980
Primary Beneficiaries:	Businesses that operate van pools for their employees
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

82.48.100(1) - Government aircraft

Description The aircraft excise tax does not apply to aircraft owned by and used exclusively in the service of governmental entities which are not engaged in carrying persons or property for commercial purposes.

Purpose Reflects the legislative policy of not taxing state or local government property and the constitutional prohibition against taxing the federal government.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would not increase revenues in the case of federal aircraft. However, repealing this exemption would increase revenues in the case of state and local aircraft.

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

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Amount of tax exempted cannot be determined.
- Data not tracked by Washington State Department of Transportation Aviation Division.

Data Sources None

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1949
Primary Beneficiaries:	Governmental entities
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not reviewed by JLARC

82.48.100(2) - Aircraft registered in a foreign country

Description The aircraft excise tax does not apply to aircraft registered under the laws of a foreign country.

Purpose Reflects the legislative policy of not taxing property located out of state and the constitutional prohibition against taxing such property.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing exemption would not increase revenues due to challenge under federal law.

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

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Amount of tax exempted cannot be determined.
- Washington State Department of Transportation does not track this information.

Data Sources None

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1949
Primary Beneficiaries:	Washington owners of private aircraft registered in another state or country
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2009

82.48.100(3) - Nonresident aircraft registered outside Washington

Description Aircraft owned by a nonresident and registered in another state is exempt from the aircraft excise tax if the aircraft remains or is based in this state for a period of less than 90 days.

Purpose Reflects the legislative policy of not taxing property located out of state and the constitutional prohibition against taxing such property.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would not increase revenues. Enforcement under current laws would be difficult.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The amount of tax exempted cannot be determined.
- Washington State Department of Transportation does not track this data.

Data Sources

None

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1949
Primary Beneficiaries:	Nonresident aircraft owners
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2009

82.48.100(4) - Commercial aircraft

Description The aircraft excise tax does not apply to aircraft engaged principally in commercial flying that constitutes interstate or foreign commerce. However, this exemption does not apply to such aircraft if it will be in this state exclusively for the purpose of continual storage of not less than one full calendar year.

Purpose The purpose of this exemption is to not interfere with foreign or interstate commerce.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would not increase revenues. The repeal would be challenged under federal law.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The amount of exempted tax cannot be determined.
- Washington State Department of Transportation does not track this information.

Data Sources

None

Additional Information

Additional Information	
Category:	Interstate Commerce
Year Enacted:	1949
Primary Beneficiaries:	Commercial interstate air carriers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2009

82.48.100(5) - Aircraft testing or crew training

Description The aircraft excise tax does not apply to aircraft owned by the manufacturer while being operated for test or experimental purposes, or for the purpose of training crews for purchasers of the aircraft.

Purpose To lower operating costs of manufacturers developing new aircraft and lowering crew training costs.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
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 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Amount of exempted tax cannot be determined.
- Washington State Department of Transportation does not track this data.

Data Sources None

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1949
Primary Beneficiaries:	Manufacturers of aircraft
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2009

82.48.100(6) - Aircraft held for sale

Description Aircraft held as stock in trade by a licensed aircraft dealer for the sole purpose of sale, exchange, delivery, testing, or demonstration purposes are exempt from the aircraft excise tax.

Purpose The exemption treats aircraft held for sale the same as business inventories which are exempt from personal property tax.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
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 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Amount of exempted tax cannot be determined.
- Washington State Department of Transportation does not track this data.

Data Sources None

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1955
Primary Beneficiaries:	Aircraft dealers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2009

82.48.100(7) - Nonresident keeping aircraft in-state at Pullman-Moscow Airport

Description Nonresident owners of planes kept at an airport jointly owned by governmental entities of Washington and another state are exempt from the aircraft excise tax. The nonresident owner must pay all taxes, license fees, and registration fees required by the state where the owner resides.

Purpose Provides an economic incentive for Idaho residents to base their privately owned airplanes at the Moscow-Pullman airport.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.001	\$0.001	\$0.001	\$0.001
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would not increase revenues. Nonresident owners could relocate their planes to their home state.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.001	\$0.001	\$0.001
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Amount of the exemption will be constant each year, no growth is expected.
- Tax adjustment to Aeronautics fund is not material and is not shown in this estimate.
- July 1, 2020, effective date, with 11 months of collections in Fiscal Year 2021.

Data Sources Washington State Department of Transportation.

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1999
Primary Beneficiaries:	Nonresidents keeping their aircraft at the Pullman-Moscow Airport
Taxpayer Count:	18
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2014

82.48.100(8) - Emergency medical aircraft

Description An aircraft excise tax exemption is provided for nonprofit, emergency medical air transport providers.

Purpose To ease the tax burden on nonprofit organizations providing emergency air transport services.

Taxpayer savings

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would not increase revenues, as no one currently qualifies.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Amount of exempted tax cannot be determined.
- Washington State Department of Transportation does not track this information.

Data Sources

None

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2010
Primary Beneficiaries:	Nonprofit medical ambulance services
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2018

82.49.020(3) - Boats under 16 feet

Description Vessels under sixteen feet in overall length are exempt from the Watercraft Excise Tax.

Purpose To minimize administrative costs and to mirror the exemption from vessel registration under chapter 88.02 RCW for certain vessels under sixteen feet.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$4.000	\$4.200	\$4.400	\$4.600
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 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$3.900	\$4.400	\$4.600
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Growth rates will mirror the disposable personal income growth rates in February 2019 economic forecast.
- 11 months of collections in Fiscal Year 2021 with July 1, 2020, effective date.

Data Sources Economic & Revenue Forecast Council's February 2019 forecast

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1983
Primary Beneficiaries:	Owners of vessels under 16 feet
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited report in 2017

82.50.520(1-4) - Travel trailers and campers

Description Travel trailers and camper units that are not subject to Travel Trailers and Campers Excise Tax (Chapter 82.50 RCW) include:

- Unoccupied units held in inventory by a manufacturer or dealer in the course of business;
- Units owned by any governmental entity;
- Units owned by nonresidents if licensed in another state; and
- Travel trailers used with a dealer's license plate.

The Legislature repealed tax-related portions of this chapter in 2000 along with the motor vehicle excise tax.

Purpose This statute is no longer relevant.

Taxpayer savings (\$ in millions):

	FY 2020	FY 2021	FY 2022	FY 2023
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 not increase revenues. The tax has been repealed.

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

	FY 2020	FY 2021	FY 2022	FY 2023
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions No impact, the state tax has been repealed.

Data Sources None

Additional Information	
Category:	Individuals
Year Enacted:	1971
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	Taxation portions in this chapter of RCW have been repealed, these exemptions are no longer relevant
JLARC Review:	Not reviewed by JLARC