



Vehicle Excise Taxes



82.44.125 - Excluded vehicles

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

- (a) Campers, as defined in RCW 46.04.085 ;
- (b) Dock and warehouse tractors and their cars or trailers;
- (c) Equipment not designed primarily for use on public highways;
- (d) Exempt registered vehicles;
- (e) Lumber carriers of the type known as spiders;
- (f) Mobile homes, as defined in RCW 46.04.302 ;
- (g) Passenger motor vehicles, as described in RCW 82.44.015 ;
- (h) Travel trailers, as defined in RCW 46.04.623 ;
- (i) Vehicles not used on the public highways; and
- (j) Vehicles owned by nonresident military personnel of the armed forces of the United States 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Purpose The state tax was repealed in 2000 for most vehicles, there are some local motor vehicle excise taxes earmarked for funding of specific local projects and services.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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | Unknown | Unknown | Unknown | Unknown |

Repeal of exemption

Repealing this exemption would increase local 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 | Unknown | Unknown | Unknown |

Assumptions

- The state motor vehicle excise tax was repealed in 2000.
- State revenues would not be impacted if the exemptions under RCW 82.44.125 were repealed.
- Local revenues would be realized if these exemptions were repealed and local jurisdictions chose to assess, but these are indeterminate at this time.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

Continued

82.44.125 - Excluded vehicles

Additional Information

| Additional Information | |
|-------------------------------|------------------------------|
| Category: | Tax base |
| Year Enacted: | 1955 |
| Primary Beneficiaries: | None |
| Taxpayer Count: | 0 |
| Program Inconsistency: | None |
| JLARC Review: | Not on JLARC review schedule |

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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | Unknown | Unknown | Unknown | Unknown |

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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Local Taxes | \$0.000 | Unknown | Unknown | Unknown |

Assumptions

- State excise tax was repealed, so no state impact.
- Unknown 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 |
| JLARC Review: | JLARC has scheduled to review in 2021 |

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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | Unknown | Unknown | Unknown | Unknown |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | Unknown | Unknown | Unknown |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

Assumptions

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

Data Sources

None

Additional Information

| Additional Information | |
|-------------------------------|----------------------------|
| Category: | Government |
| Year Enacted: | 1949 |
| Primary Beneficiaries: | Governmental Entities |
| Taxpayer Count: | Unknown |
| Program Inconsistency: | None |
| JLARC Review: | Excluded from JLARC review |

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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | Unknown | Unknown | Unknown | Unknown |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

Repeal of exemption

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

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 Washington State Department of Transportation Aviation Division does not track this information.

Data Sources

None

Additional Information

| Additional Information | |
|-------------------------------|--|
| Category: | Other |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | Unknown | Unknown | Unknown | Unknown |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$0.000 | Unknown | Unknown | Unknown |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

Assumptions

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

Data Sources

None

Additional Information

| Additional Information | |
|-------------------------------|---------------------------------------|
| Category: | Individuals |
| Year Enacted: | 1949 |
| Primary Beneficiaries: | Nonresident Aircraft Owners |
| Taxpayer Count: | Unknown |
| Program Inconsistency: | None |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | Unknown | Unknown | Unknown | Unknown |
| 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 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 Washington State Department of Transportation Aviation Division 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 |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | Unknown | Unknown | Unknown | Unknown |
| 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 | Unknown | Unknown | Unknown |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

Assumptions

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

Data Sources

None

Additional Information

| Additional Information | |
|-------------------------------|---------------------------------------|
| Category: | Other |
| Year Enacted: | 1949 |
| Primary Beneficiaries: | Manufacturers of aircraft |
| Taxpayer Count: | Unknown |
| Program Inconsistency: | None |
| 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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | Unknown | Unknown | Unknown | Unknown |
| 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 | Unknown | Unknown | Unknown |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

Assumptions

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

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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| 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 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 amount of the exemption will be constant each year, no growth is expected.
- The tax adjustment to the Aeronautics fund is not material and is not shown in this estimate
- Eleven month cash collection for Fiscal Year 2017 has no material impact to total revenues

Data Sources

The Pullman-Moscow Airport Physical Inventory of Planes April 2015

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 |
| JLARC Review: | JLARC completed an expedited review in 2014 |

82.44.015 - Ride-sharing vehicles

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

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

Taxpayer savings

(\$ in millions):

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | Unknown | Unknown | Unknown | Unknown |
| 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 | Unknown | Unknown | Unknown |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

Assumptions

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

Data Sources None

Additional Information

| Additional Information | |
|-------------------------------|---------------------------------------|
| Category: | Nonprofit |
| Year Enacted: | 2010 |
| Primary Beneficiaries: | Non profit medical ambulance services |
| Taxpayer Count: | Unknown |
| Program Inconsistency: | None |
| JLARC Review: | JLARC has scheduled to 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 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------|---------|---------|---------|---------|
| State Taxes | \$3.164 | \$3.360 | \$3.558 | \$3.747 |
| 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 | \$3.558 | \$3.747 |
| Local Taxes | \$0.000 | \$0.000 | \$0.000 | \$0.000 |

Assumptions

- Growth rates will mirror the disposable personal income growth rates reflected in the February 2015 economic forecast.
- Eleven month cash collection impact for Fiscal Year 2017 due to July 1, 2016 effective date.

Data Sources

Economic & Revenue Forecast Council February 2015 Forecast

Additional Information

| Additional Information | |
|-------------------------------|---|
| Category: | Individuals |
| Year Enacted: | 1983 |
| Primary Beneficiaries: | Small boat owners |
| Taxpayer Count: | Unknown |
| Program Inconsistency: | None evident |
| JLARC Review: | JLARC completed an expedited review in 2013 |

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:

- (1) unoccupied units held in inventory by a manufacturer or dealer in the course of business;
- (2) units owned by any governmental entity;
- (3) units owned by nonresidents if licensed in another state; and
- (4) 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 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 not increase revenues. The tax was repealed, while the statute containing these exemptions remains in the law.

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

None

Data Sources

None

Additional Information

| Additional Information | |
|-------------------------------|--|
| Category: | Individuals |
| Year Enacted: | 1971 |
| Primary Beneficiaries: | None |
| Taxpayer Count: | 0 |
| Program Inconsistency: | The taxation portions in this chapter of RCW have been repealed, these exemptions are no longer relevant |
| JLARC Review: | Not on JLARC review schedule |