

Chapter 8

Fuel Tax

35.58.560 - Refund of motor vehicle fuel taxes for METRO

Description Metropolitan municipal corporations may request a refund of the motor vehicle fuel tax paid on each gallon of fuel used for urban passenger transportation systems. The entire trip is disqualified from the refund if the trip goes more than six road miles beyond the corporate limits of the Metro boundaries.

Purpose To support public transportation.

Taxpayer savings (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions Included under the exemption for fuel for urban passenger transportation systems, RCW 82.38.080 and 82.38.180.

Data Sources Department of Licensing, Fuel tax 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:	Expedited review completed in 2010 and 2020

82.38.030(9)(e); 82.38.032 - Fuel previously taxed

Description Fuel sold or removed in Washington to an unlicensed entity is exempt from fuel taxes if there was a prior taxable removal, entry, or sale of the fuel. International fuel tax agreement licensees or persons operating motor vehicles under other reciprocity agreements are exempt from fuel tax if the tax has been previously imposed and paid.

Purpose To eliminate double taxation.

Taxpayer savings (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	CTI	CTI	CTI
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions This exemption impacts fewer than three taxpayers; any impacts are confidential.

Data Sources Department of Licensing, Fuel tax data

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1998
Primary Beneficiaries:	International fuel tax agreement licensees
Taxpayer Count:	Fewer than three
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2016 with upcoming review in 2025

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:

- Street and highway construction and maintenance in state, county, or municipality-owned and operated motor vehicles.
- Publicly owned firefighting equipment.
- Vehicles not designed or used primarily for transporting people or property.
- Certain motor vehicle power take-off equipment.
- U.S. government-owned motor vehicles.
- Heating purposes.
- Moving between two pieces of private property a motor vehicle on a public highway.
- Transportation services for persons with special needs by a private nonprofit transportation provider.
- Equipment such as mixing units or refrigeration units powered by motors separate from vehicle fuel tanks.
- 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.
- 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 is 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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$5.450	\$5.540	\$5.620	\$5.710
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$5.080	\$5.620	\$5.710
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

82.38.080 - Other special fuel tax exemptions

- Assumptions**
- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
 - Growth rate mirrors the special fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

- Data Sources**
- Department of Licensing, Fuel tax data
 - Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1971
Primary Beneficiaries:	Special fuel tax users not covered under other exemptions
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2012 with an upcoming review in 2025

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

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

- 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.
- Sales for use in publicly owned firefighting equipment.
- Sales to the U.S. government.

Purpose Lowers the costs of government and public services.

Taxpayer savings

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$1.520	\$1.540	\$1.570	\$1.590
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$1.410	\$1.570	\$1.590
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the special fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1971
Primary Beneficiaries:	Federal, state, and local government agencies
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2012 with an upcoming review in 2025

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

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

Purpose Supports transportation programs for the elderly and handicapped.

Taxpayer savings

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.270	\$0.270	\$0.270	\$0.270
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.250	\$0.270	\$0.270
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1983
Primary Beneficiaries:	Transportation providers for persons with special needs
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2011 with upcoming review in 2025.

82.38.080(1)(e) - 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 2024	FY 2025	FY 2026	FY 2027
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions Included under the exemption for other special fuel tax exemptions, RCW 82.38.080.

Data Sources Department of Licensing, Fuel tax data

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2008
Primary Beneficiaries:	Biodiesel fuel manufacturers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2012 with an upcoming review in 2025.

82.38.080(1)(f,g); 82.38.180(3)(b) - 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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$5.110	\$5.190	\$5.270	\$5.350
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$4.760	\$5.270	\$5.350
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the special fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1957
Primary Beneficiaries:	Urban transportation systems
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2020

82.38.080(2)(a) - Fuel sold to the military

Description Sales of fuel to the armed forces of the U.S. or the National Guard are exempt from the special fuel tax if the fuel is:

- Used exclusively in ships.
- 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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.114	\$0.116	\$0.117	\$0.118
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.106	\$0.117	\$0.118
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1933
Primary Beneficiaries:	United States Military
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	No review completed

82.38.080(2)(b) - Fuel sold to foreign governments

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

Purpose To maintain good foreign relations.

Taxpayer savings

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Minimal	Minimal	Minimal	Minimal
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Minimal	Minimal	Minimal
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1967
Primary Beneficiaries:	Foreign Governments
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2010 with an upcoming review in 2025

82.38.080(2)(c) - Racing fuel

Description Sales of fuel used exclusively for racing that is not legally allowed on the public highways of Washington 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 2024	FY 2025	FY 2026	FY 2027
State Taxes	Minimal	Minimal	Minimal	Minimal
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Minimal	Minimal	Minimal
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1998
Primary Beneficiaries:	Automobile racetracks and racing teams
Taxpayer Count:	96
Program Inconsistency:	None evident
JLARC Review:	Full report completed in 2022

82.38.180(1)(a) - Nonhighway fuel use

Description The motor vehicle and special fuel taxes may be refunded for taxes paid on fuel purchased for purposes other than the propulsion of motor vehicles upon highways in Washington. A refund may not be made for fuel consumed by a motor vehicle required to be registered as a commercial motor vehicle.

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

Taxpayer savings

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$5.840	\$5.930	\$6.030	\$6.120
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$5.440	\$6.030	\$6.120
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the special fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1923
Primary Beneficiaries:	Users of fuel for off-public road purposes
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2007 with upcoming review in 2025

82.38.180(1)(b) - Exported fuel refunds

Description The motor vehicle and special fuel taxes may be refunded for taxes paid on fuel exported for use outside Washington. 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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$1,236.100	\$1,248.300	\$1,260.400	\$1,272.400
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$1,144.300	\$1,260.400	\$1,272.400
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Interstate Commerce
Year Enacted:	1923
Primary Beneficiaries:	Fuel Exporters
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2007 with upcoming review in 2025

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

Description The motor vehicle and special fuel taxes may be refunded for taxes paid on fuel lost or destroyed through fire, lightning, flood, windstorm, 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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$7.040	\$7.110	\$7.180	\$7.250
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$6.520	\$7.180	\$7.250
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.
- May include data from other fuel tax exemptions and refunds.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1923
Primary Beneficiaries:	Persons who lost fuel or had fuel destroyed
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2007 with upcoming review in 2025

82.38.180(1)(f) - 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 ensure that the tax applies only to fuel used on public highways.

Taxpayer savings

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$2.810	\$2.850	\$2.900	\$2.940
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$2.620	\$2.900	\$2.940
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the special fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Persons who use power pumping equipment
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review in 2012 with upcoming review in 2025

82.38.180(2)(a) - 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 either occurs:

- The federal government requires a fee for the privilege of operating a motor vehicle on the highway.
- 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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$1.000	\$1.010	\$1.030	\$1.040
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.930	\$1.030	\$1.040
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the special fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1998
Primary Beneficiaries:	Logging businesses and haulers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2012 with upcoming review in 2025

82.38.180(2)(b) - Special mobile equipment

Description The special fuel tax may be refunded for tax paid on fuel used by special mobile equipment.

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 2024	FY 2025	FY 2026	FY 2027
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

Amounts for this exemption are included with the exemption for non-highway fuel use, RCW 82.38.180(1a).

Data Sources

Department of Licensing, Fuel tax data

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1971
Primary Beneficiaries:	Persons using special mobile equipment
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2012 with an upcoming review in 2025

82.38.180(2)(c) - 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 vehicle's primary use.

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

Taxpayer savings (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.390	\$0.400	\$0.410	\$0.410
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.370	\$0.410	\$0.410
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the special fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1979
Primary Beneficiaries:	General public
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2012 with upcoming review in 2025

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 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this deduction would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

Taxpayer savings are unknown. The Department of Licensing's system does not capture the refund amounts in an accessible report. The agency plans on updating its system in the near future which will allow this reporting capability.

Data Sources

Department of Licensing, Fuel tax data

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1967
Primary Beneficiaries:	Aviators
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Upcoming review in 2025

82.42.030(1,2) - Imported and exported fuel

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

Purpose To encourage the sale of aircraft fuel in Washington.

Taxpayer savings

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$54.860	\$53.210	\$51.420	\$49.810
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$48.780	\$51.420	\$49.810
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the aircraft fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1967
Primary Beneficiaries:	Fuel importers and exporters
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Full review completed in 2011 with upcoming review in 2025

82.42.030(3) - Aircraft fuel sold to the federal government

Description Aircraft fuel sold to the federal government, including any agency thereof, is exempt from the aircraft fuel tax.

Purpose To lower the cost of government.

Taxpayer savings (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$44.660	\$43.310	\$41.860	\$40.540
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$39.700	\$41.860	\$40.540
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the aircraft fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1971
Primary Beneficiaries:	Federal Government
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	No review completed

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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$27.810	\$26.980	\$26.070	\$25.250
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$24.730	\$26.070	\$25.250
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the aircraft fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1967
Primary Beneficiaries:	Commercial air carriers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2019

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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$20.380	\$19.770	\$19.110	\$18.500
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$18.120	\$19.110	\$18.500
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the aircraft fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2003
Primary Beneficiaries:	Medical air transport service providers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited report completed in 2021

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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.013	\$0.013	\$0.013	\$0.012
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would not increase revenues. These taxes must be collected only once. Without this exemption, taxes would be collected and then refunded.

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

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions These taxes must be collected only once; therefore, revenues would not increase.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Aircraft fuel distributors
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	No review completed

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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$78.530	\$76.170	\$73.620	\$71.300
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$69.830	\$73.620	\$71.300
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Growth rate mirrors the aircraft fuel tax collections growth rate reflected in the Transportation Revenue Forecast Council's March 2023 forecast.

Data Sources

- Department of Licensing, Fuel tax data
- Transportation Revenue Forecast Council, March 2023 forecast

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Certified users of aviation fuel
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Upcoming review in 2025

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 either:

- Testing or experimental purposes.
- Training crews for 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 2024	FY 2025	FY 2026	FY 2027
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions 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

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1967
Primary Beneficiaries:	Persons who train commercial pilots or use aircraft for testing or experimental purposes
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2019

82.42.230(1) - Crop dusting

Description A refund is available for aircraft fuel tax paid on fuel consumed in aircraft principally used for applying pesticides, herbicides, or other agricultural chemicals if the aircraft operates from a private, nonstate-funded airfield during at least 95% of the aircraft's regular use.

Purpose To lower the aircraft fuel tax burden on certain agricultural activities.

Taxpayer savings

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
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 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

Taxpayer savings are unknown. The Department of Licensing's system does not capture the refund amounts in an accessible report. The agency plans on updating its system in the near future which will allow this reporting capability.

Data Sources

Department of Licensing, Fuel tax data

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1982
Primary Beneficiaries:	Persons who use aircraft to apply pesticides, herbicides, or other agricultural chemicals
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited report completed in 2018.