

Chapter 24

Vehicle Excise Taxes

82.44.015 - Ride-sharing vehicles

Description The motor vehicle excise tax is exempt on passenger vehicles used primarily for ridesharing 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 meet vehicle and operation requirements in the case of vehicles used for ridesharing.

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

Taxpayer savings

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
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 only. The state tax has been repealed.

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	Indeterminate	Indeterminate	Indeterminate

Assumptions

There is no state tax impact, as the state tax was repealed. The local tax impact is indeterminate.

Data Sources

Department of Licensing, Vehicle excise tax data

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1980
Primary Beneficiaries:	Businesses operating vanpools for their employees
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2020

82.44.125 - Excluded vehicles

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

- Campers.
- 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.
- Passenger motor vehicles.
- Travel trailers.
- Vehicles not used on public highways.
- Vehicles owned by nonresident military personnel of the armed forces of the U.S. stationed in Washington if the nonresident military member was a nonresident of Washington when enlisted into military service.

Purpose The state tax was repealed in 2000 for many vehicles. Some local motor vehicle excise taxes are earmarked for funding specific local projects and services.

Taxpayer savings

(\$ in millions):

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

Repeal of exemption

Repealing this exemption would not increase state revenues. However, repealing it could increase local 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	Indeterminate	Indeterminate	Indeterminate

Assumptions

If the exemption were repealed, local revenues could be realized if local jurisdictions choose to assess the tax. However, the local impact is indeterminate without knowing which jurisdictions would assess the tax.

Data Sources

Department of Licensing, Vehicle excise tax data

82.44.125 - Excluded vehicles

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1955
Primary Beneficiaries:	Those registering the qualifying vehicles
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	No review completed

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

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

The exempted aircraft is unknown; therefore, these estimates are indeterminate.

Data Sources

Washington State Department of Transportation, Aviation Division

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1949
Primary Beneficiaries:	Governmental entities
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	No review completed

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 of taxing such property.

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 not increase revenues due to challenge under federal law.

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 The exempted aircraft is unknown; therefore, the revenue savings are indeterminate.

Data Sources Washington State Department of Transportation, Aviation Division

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:	No review completed

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 in Washington or is based in Washington, or both, for ~~a period~~ less than 90 days.

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

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 not increase revenues. Enforcement under current laws would be difficult.

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

The exempted aircraft is unknown; therefore, these estimates are indeterminate.

Data Sources

Washington State Department of Transportation, Aviation Division

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1949
Primary Beneficiaries:	Nonresident aircraft owners
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2009 and 2019

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 Washington exclusively for the purpose of continual storage of not less than one full calendar year.

Purpose To not interfere with foreign or interstate commerce.

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

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 The exempted aircraft is unknown; therefore, these estimates are indeterminate.

Data Sources Washington State Department of Transportation, Aviation Division

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:	Expedited review completed in 2009 and 2019

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 training crews for purchasers of the aircraft.

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

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 The exempted aircraft is unknown; therefore, these estimates are indeterminate.

Data Sources Washington State Department of Transportation, Aviation Division

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1949
Primary Beneficiaries:	Aircraft manufacturers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2009 and 2019

82.48.100(6) - Aircraft held for sale

Description A licensed aircraft dealer with aircraft held as stock in trade for the sole purpose of sale, exchange, delivery, testing, or demonstration is exempt from the aircraft excise tax.

Purpose Treat aircraft held for sale the same as business inventories, which are exempt from personal property tax.

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 The exempted aircraft is unknown; therefore, these estimates are indeterminate.

Data Sources Washington State Department of Transportation, Aviation Division

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1955
Primary Beneficiaries:	Aircraft dealers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Expedited review completed in 2009 and 2019

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

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 not increase revenues. Nonresident owners could relocate their planes to their home state.

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

- This repeal takes effect July 1, 2024, and impacts 11 months of collections in fiscal year 2025.
- Annual aircraft excise tax amount remains constant.

Data Sources

- Washington State Department of Transportation, Aircraft excise tax data

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:	Expedited review completed in 2014 and 2019

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 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

The exempted aircraft is unknown; therefore, these estimates are indeterminate.

Data Sources

Washington State Department of Transportation, Aviation Division

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2010
Primary Beneficiaries:	Nonprofit medical ambulance services
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	No review completed

82.49.020(3) - Boats under 16 feet

Description Vessels under 16 feet in overall length are exempt from the watercraft excise tax.

Purpose To minimize administrative costs and to mirror the exemption from vessel registration for certain vessels under 16 feet.

Taxpayer savings (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$6.900	\$6.900	\$6.900	\$6.900
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	\$6.300	\$6.900	\$6.900
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.
- Based on historical data, annual growth is minimal.

Data Sources

- WA Coast Economist, Recreational boat fleet data
- JD Power, Shopping guides "Cheap-boats"

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:	Expedited review completed in 2013, 2014, and 2017