

# HOUSE BILL REPORT

## EHB 1481

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As Passed House  
March 15, 1993

**Title:** An act relating to taxation of ships and vessels.

**Brief Description:** Modifying taxation of ships and vessels.

**Sponsors:** Representatives G. Fisher, Foreman, Wang and Quall;  
by request of Department of Revenue.

**Brief History:**

Reported by House Committee on:  
Revenue, February 26, 1993, DPA;  
Passed House, March 15, 1993, 97-0.

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### HOUSE COMMITTEE ON REVENUE

**Majority Report:** Do pass as amended. Signed by 16 members:  
Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman,  
Ranking Minority Member; Fuhrman, Assistant Ranking Minority  
Member; Anderson; Brown; Cothorn; Leonard; Morris; Romero;  
Rust; Silver; Talcott; Thibaudeau; Van Luven; and Wang.

**Staff:** Bob Longman (786-7139).

**Background:** Currently the collection of commercial vessel  
ad valorem property tax is performed by the county  
treasurers and the county assessors, while the Department of  
Revenue administers the tax. This is burdensome for the  
local governments as well as confusing and time consuming  
for taxpayers. Local governments receive none of the  
revenue, though they do all the collecting.

**Summary of Bill:** This bill removes the collection  
responsibility from county treasurers and gives it to the  
Department of Revenue. The language applies the same  
penalties and interest for noncompliance imposed under the  
excise tax code.

Consolidating tax collection at the state level will allow  
the Department of Revenue to apply reliable tax  
administration tools and increase revenue collection, while  
putting responsibility for collection with the level of  
government that benefits.

**Fiscal Note:** Available

**Appropriation:** \$137,000 is appropriated from the state general fund.

**Effective Date:** The bill takes effect January 1, 1994.

**Testimony For:** Since vessels pay only the state school taxes and not local property taxes and the Department of Revenue already determines the vessel's value, the department, rather than the county treasurers should collect the tax.

**Testimony Against:** None.

**Witnesses:** (All in favor): Ryan Spiller, Department of Revenue; Mike Murphy, Thurston County Treasurer; and Ben Gassaway, Washington Association of County Officials. (Some concerns with Section II): Randy Ray, Puget Sound Steamship Association.