

HOUSE BILL REPORT

SSB 5535

As Reported By House Committee On:
Transportation

Title: An act relating to the excise tax on large trucks.

Brief Description: Taxing large trucks.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Vognild, Prince and M. Rasmussen).

Brief History:

Reported by House Committee on:
Transportation, March 31, 1993, DP.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 27 members:
Representatives R. Fisher, Chair; Brown, Vice Chair; Jones, Vice Chair; Schmidt, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Brough; Brumsickle; Cothorn; Eide; Finkbeiner; Forner; Fuhrman; Hansen; Heavey; Horn; Johanson; J. Kohl; R. Meyers; Miller; H. Myers; Orr; Patterson; Quall; Sheldon; Shin; Wood; and Zellinsky.

Staff: Roger Horn (786-7839).

Background: Owners of any commercial trailer or semitrailer are required annually to pay a registration fee of \$36 and motor vehicle excise tax at a rate of 2.2 percent of the vehicle value. Unlike fees for trucks, fees for commercial trailers and semitrailers engaged in interstate commerce are not prorated.

Summary of Bill: The motor vehicle excise tax (MVET) rate is increased from 2.2 percent to 2.78 percent for any truck-type power unit used in combination with a trailer to transport loads in excess of 40,000 pounds combined gross weight. This increased fee does not apply to power units used exclusively for hauling logs.

For trailers hauled by the truck-type power units subject to this higher rate, the following provisions apply: 1) payment of MVET is no longer required; 2) annual renewal of the registration fee is no longer required; 3) upon payment of a \$36 one-time fee, permanent license plates are issued and need not be replaced until the trailer vehicle is sold,

permanently removed from the state, or otherwise disposed of by the registered owner; and 4) property tax may not be assessed.

The combined licensing fee for all vehicles with a gross vehicle weight of 42,000 pounds or more is increased by \$90.

The tax changes in this bill are designed to be revenue neutral in regard to MVET and combined licensing fee revenue collected by the state.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: High taxes on commercial trailers put interstate truckers based in Washington at a competitive disadvantage. Fees for commercial trailers went up substantially after proportional registration for nonmotor vehicles was eliminated in 1990.

Testimony Against: None.

Witnesses: Larry Pursley, Washington Trucking Association; and Merle Steffenson, Department of Licensing.