

SENATE BILL REPORT

EHB 1481

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 22, 1993

Brief Description: Modifying taxation of ships and vessels.

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

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Gaspard, Hochstatter, Jesernig, Moyer, Pelz, Quigley, Snyder, Sutherland, West, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: March 22, 1993

BACKGROUND:

Commercial use watercraft, such as vessels used exclusively for fishing, charter boats, tugs, and barges, are subject to the state personal property tax. These vessels are exempt from local property taxes.

Commercial vessels used in interstate or foreign commerce, and fishing boats used outside Washington waters, that are in the state more than 120 days in the calendar year are subject to the state personal property tax based on the number of days the vessel is in the state.

The Department of Revenue lists and values the vessels subject to tax, but county treasurers collect the tax.

SUMMARY:

The responsibility for collecting the state property tax levy on vessels is transferred to the Department of Revenue. Vessels listed for property taxes will be assigned a tax registration number.

Interest at the rate charged for delinquent excise taxes and penalties are established for late payment of property taxes on vessels.

Delinquent taxes on vessels currently on county treasurer records become the responsibility of the Department of Revenue.

Appropriation: \$137,000

Revenue: yes

Fiscal Note: available

Effective Date: January 1, 1994

TESTIMONY FOR:

The tax is easy to avoid at the local level because owners can say the vessel was not in the county on January 1st. The department will use its collection tools to collect taxes already due. Better service will be provided to vessel owners who don't know who to talk to on this tax.

TESTIMONY AGAINST: None

TESTIFIED: Ryan Spiller, Department of Revenue (pro); Fred Saeger, Association of County Officials (pro)