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**Transportation Committee**

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**HB 1948**

**Brief Description:** Exempting ferry fuel used by Washington state ferries from excise taxes.

**Sponsors:** Representatives Appleton, Woods, Kilmer, Cody, Williams, Green, Eickmeyer, McDermott, Campbell, Kirby, Chase, B. Sullivan, Morris and O'Brien.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Exempts fuel used by the Washington State Ferry system from sales and use taxes.</li></ul>
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**Hearing Date:** 2/24/05

**Staff:** Beth Redfield (786-7347).

**Background:**

The gas tax is levied on fuel used by motor vehicles which are operated upon public roadways. As such, the Washington State Ferry (WSF) system currently does not pay the gas tax on fuel used. No explicit exemption is provided in the Special Fuel Tax Act. WSF does pay sales and use tax on fuel.

**Summary of Bill:**

An explicit exemption from special fuel taxes is provided for ferry service provided by the state of Washington. Fuel purchased for use by a Washington state ferry is not subject to sales and use taxes.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2005.