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## Repealed Taxes and Fees

### Overview and Table of Contents

This section summarizes the state's transportation repealed taxes and fees. The taxes and fees in this section are arranged in alphabetical order. For the statewide motor vehicle excise tax, refer to the supplementary information following the general description of the tax.

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<b><u>REVENUE SOURCE:</u></b>	<b>Aircraft Pilot Registration Fee</b>
<b><u>RCW:</u></b>	47.68.233
<b><u>WHO'S TAXED:</u></b>	Pilots residing in Washington or who regularly operate any aircraft in the state; applies to each pilot who is a resident of this state and each nonresident pilot who regularly operates aircraft in this state.
<b><u>TAX RATE:</u></b>	Prior to repeal the fee was \$15 per year.
<b><u>ADMINISTERED BY:</u></b>	Department of Transportation – Aviation Division
<b><u>WHERE DEPOSITED:</u></b>	Aircraft Search and Rescue Safety & Education Account and Aeronautics Account (only in 2003–2005 Biennium).
<b><u>DISTRIBUTION &amp; USE:</u></b>	Appropriated for aircraft search and rescue and for pilot safety and education activities.
<b><u>TAX EXEMPTIONS:</u></b>	A pilot who operates an aircraft exclusively in the service of U.S. government or political subdivision; a pilot registered under the laws of a foreign country; a pilot engaged in commercial flying in interstate or foreign commerce; a person piloting a dual-controlled aircraft where a licensed instructor is in full charge of one set of controls and flight is solely for instruction or demonstration to prospective purchaser (RCW 47.68.233).
<b><u>TAX HISTORY:</u></b>	<p>1967 Not to exceed \$5</p> <p>1987 Not to exceed \$10</p> <p>1996 \$8</p> <p>2003 \$15 to Aircraft Search and Rescue Safety &amp; Education Account except for \$7 of \$15 fee to Aeronautics Account in 2003–2005 Biennium.</p> <p>2005 Effective July 1, 2005, the aircraft pilot registration fee was repealed by SSB 5414 (C 341, Laws of 2005).</p>

<b><u>REVENUE SOURCE:</u></b>	<b>Airman/Airwoman Registration Fee</b>
<b><u>RCW:</u></b>	47.68.234
<b><u>WHO'S TAXED:</u></b>	Any airman or airwoman not registered as a pilot who resides in Washington or regularly performs the duties of an airman or airwomen in the state.  Airman/airwoman includes in-flight crew members; persons directly in charge of aircraft inspection, maintenance, or repair; and aircraft dispatchers and control tower operators.
<b><u>TAX RATE:</u></b>	Prior to repeal the fee was \$15 per year
<b><u>ADMINISTERED BY:</u></b>	Department of Transportation – Aviation Division
<b><u>WHERE DEPOSITED:</u></b>	Aircraft Search and Rescue Safety & Education Account and Aeronautics Account (only in 2003–2005 Biennium).
<b><u>DISTRIBUTION &amp; USE:</u></b>	Appropriated for aircraft search and rescue and for pilot safety and education activities.
<b><u>TAX EXEMPTIONS:</u></b>	Airman/airwoman employed outside the U.S., employed as an inspector or mechanic by a manufacturer of aircraft or aircraft components, or who performs inspection and mechanical duties only on his or her own aircraft (RCW 47.68.020(9)).
<b><u>TAX HISTORY:</u></b>	1993 Not to exceed \$10 2003 \$15 2005 Effective July 1, 2005, the airman/airwoman registration fee was repealed by SSB 5414 (C 341, Laws of 2005)



<b><u>REVENUE SOURCE:</u></b>	<b>Clean Air Excise Tax</b>
<b><u>RCW:</u></b>	82.44.020 (basic tax)
<b><u>WHO'S TAXED:</u></b>	Owners of motor vehicles, campers, travel trailers, trailers, and semitrailers.
<b><u>TAX RATE:</u></b>	\$2.00 per vehicle
<b><u>ADMINISTERED BY:</u></b>	Department of Licensing
<b><u>WHERE DEPOSITED:</u></b>	Air Pollution Control Account
<b><u>DISTRIBUTION &amp; USE:</u></b>	To implement provisions of Clean Air Act (RCW 70.84)
<b><u>TAX EXEMPTIONS:</u></b>	Farm vehicles (RCW 82.44.020) Vehicles owned by government agencies (RCW 82.44.010) Vehicles owned by nonresident military personnel (RCW 82.44.010) Vehicles used entirely on private property (RCW 82.44.010) Mobile home, travel trailers, and campers (RCW 82.44.010) Private school buses (RCW 82.44.010)
<b><u>TAX HISTORY:</u></b>	1991 \$2.25 1994 \$2.00 2000 Repealed by Chapter 1, 1 <sup>st</sup> Special Session, Laws of 2000.

**REVENUE SOURCE:**           **Mobile Home/Travel Trailer Dealer Excise Tax**

**RCW:**                           82.50

**WHO'S TAXED:**            Mobile home and travel trailer dealers.

**TAX RATE:**                 \$2 per dealer license plate or duplicate.

**ADMINISTERED BY:**       Department of Licensing

**WHERE DEPOSITED:**       General Fund

**DISTRIBUTION & USE:**   Appropriated for general government.

**TAX EXEMPTIONS:**       None

**TAX HISTORY:**            1979   \$2 per license plate or duplicate  
                                  2000   Eliminated by Chapter 1, 1st Special Session, Laws of 2000

**REVENUE SOURCE:**           **Motor Vehicle Excise Tax (MVET), Statewide and Local**

**RCW:**                           82.44.020 (tax)  
82.44.041 (valuation)  
In 2000, following the passage of Initiative 695 in 1999, the Legislature enacted Chapter 1, 1st Special Session, Laws of 2000, repealing the statewide motor vehicle excise tax, effective January 1, 2000.  
In 2002, Initiative 776 was passed by voters, repealing the MVET for Regional Transit Authorities (Sound Transit) and for certain other transit agencies financing high capacity transportation systems (RCW 81.104.160).  
In 2006, the Washington State Supreme Court upheld Sound Transit's authority to continue collecting the local MVET based on Sound Transit's contractual obligations to pay its bond debt; however, the MVET authority expires once the bond debt is completely paid off.

**WHO'S TAXED:**               Owners of certain motor vehicles

**TAX RATE:**                   Statewide rate: Annual rate of 2.2% of vehicle value:

- 2.0% of value base
- 0.2% of value dedicated to state transportation

Vehicle value was determined according to valuation schedules repealed at the time the statewide MVET was repealed.

Trucks over 40,000 pounds G.V.W. used in combination with trailers pay rate of 2.78%; MVET eliminated for commercial trailers used in combination with trucks paying the 2.78% rate.

Simplifying amendments in Referendum 49 (EHB 2894) combined the tax rate to 2.2, changed depreciation curve for "all other vehicles," and adjusted the distribution formula (RCW 82.44.110) to maintain revenue neutrality.

Local jurisdiction rates:

- For municipalities operating public transportation systems: not to exceed 0.725% of vehicle value
- For Regional Transit Authorities and other transit agencies financing high capacity transportation: not to exceed 0.8% of vehicle value

**ADMINISTERED BY:**       Department of Licensing

**WHERE DEPOSITED:**       Motor Vehicle Account  
Puget Sound Ferry Operations Account  
Puget Sound Ferry Capital Construction Account  
Transportation Fund (Former to Multimodal Transportation Account)  
High Capacity Transportation Account

Central Puget Sound Public Transportation Account  
 Public Transportation Systems Account  
 Passenger Ferry Account  
 County Criminal Justice Assistance Accounts  
 Municipal Criminal Justice Assistance Accounts  
 County Public Health Account  
 County Sales and Use Tax Equalization Account  
 Municipal Sales and Use Tax Equalization Account  
 Violence Reduction and Drug Enforcement Account  
 Distressed County Assistance Account  
 City Police and Fire Protection Assistance Account  
 General Fund

DISTRIBUTION & USE: State and local transportation  
 City and county criminal justice  
 City public safety  
 County public health  
 Cities and counties for general use  
 Distressed counties  
 Mass transit  
 High capacity transportation development

TAX EXEMPTIONS:

- Vehicles owned by governments (including transit agencies) (RCW 82.44.010)
- Vehicles used entirely on private property (RCW 82.44.010(2))
- Vans used for ridesharing (RCW 82.44.015)
- Mobile homes, travel trailers, and campers (RCW 82.44.010(2))
- Vehicles owned by nonresident military personnel (RCW 82.44.010(2))
- Private school buses (RCW 46.16.035, 82.44.010)
- Vehicles registered by leasing corporations (i.e., rental cars) (RCW 82.44.023)

TAX HISTORY:

1937	1.5% of value
1943	House trailers included
1955	House trailers deleted
1959	2.0% of value
1965	House trailers added
1971	Mobile homes exempt
1977	2.2% (.2% to ferry construction)
1982	2.288% (4% surtax added)
1983	2.354% (increased surtax to 7%)
1987	2.454% (increased 0.1% dedicated to ferry operations and 1% transit match reduced in four counties to fund Rail Development Account).
1990	Changes vehicle valuation schedules and base rate; new 2.0% base rate revenue neutral with prior 2.454% rate (effective 9/1/90). <ul style="list-style-type: none"> <li>– Adds 0.2% surtax to base rate; to be deposited in Transportation Fund (effective 9/1/90).</li> </ul>

- Makes permanent funding for ferry operations.
  - Deposits MVET available to, but not matched by, transit districts in Transportation Fund (effective 7/1/91).
  - Reduces maximum MVET available for transit match from 0.815% (under new law) to 0.725% (effective 1/1/93).
  - Directs revenue that would have been matched by transit under old rate to new accounts to fund transit-related projects (effective 1/1/93).
  - Transfers MVET equal to 0.1% vehicle value from General Fund to Transportation Fund (effective 7/1/93).
- 1992 Consumers required to pay 5.9% sales tax on vehicle rentals in lieu of dealer paying MVET (effective 1/1/93).
- 1993 Transit residual goes to General Fund instead of Transportation Fund for 1993–95 Biennium.
- 0.1% transfer from General Fund to Transportation Fund deferred from 7/1/93 to 7/1/95.
  - Rate for trucks over 40,000 pounds GVW increased from 2.2% to 2.78%; MVET eliminated for trailers used in combination with such trucks.
- 1994 Transit systems receiving less than 80% of the per capita statewide average sales and use tax are eligible for transit sales and use tax equalization payments (effective 1/1/96).
- 1995 Modified distributions to High Capacity Transportation Account to fund newly-created Passenger Ferry Account.
- 1997 Establishes a permanent funding mechanism for the Violence Reduction and Drug Enforcement Account.
- 1998 Referendum 49 changes the MVET structure and distribution and provides a \$30 tax credit.
- Surtax of 0.2% of vehicle value eliminated; MVET rate consolidated at 2.2%.
  - Depreciation schedule adjusted to reduce tax liability for vehicles 2–3 years old.
  - Distribution to motor vehicle fund increases to finance new highway construction projects.
  - General fund receives no MVET revenue; MVET distributions to transit systems and transportation-related accounts paid out of the transportation fund (transportation fund receives additional MVET revenue to make transit distributions).
  - Yakima Transit and Everett Transit eligible to receive MVET distributions

- MVET distributions to county and municipal criminal justice accounts decreases; general fund revenues replace and supplant criminal justice distributions.
- Eliminates funding for violence reduction and drug enforcement account.
- Increases distributions for municipal sales and uses tax equalization.

1999 Initiative 695 repeals the statewide MVET.

2000 On March 14, 2000, the state Supreme Court rules that I-695 is unconstitutional in its entirety. On March 22, 2000, the Legislature enacts Chapter 1, 1st Special Session, Laws of 2000, repealing the statewide MVET.

2002 Initiative 776 repeals the authority of a Regional Transit Authority, and certain other transit agencies, to impose an MVET for high capacity transportation purposes.

2006 Washington State Supreme Court upholds Sound Transit's authority to continue to collect its 0.3% MVET until its bonds are paid off, based on Article I, section 23 of the Washington Constitution relating to impairment of contracts. Sound Transit issued bonds in 1999 pledging MVET revenue as security.

The Legislature enacts RCW 82.44.035, which creates a new vehicle depreciation schedule based on a JTC study of vehicle valuations. The new schedule applies prospectively to any new locally imposed motor vehicle excise taxes. No new MVET is imposed.

**OTHER RESOURCES:**

Joint Transportation Committee, "Motor Vehicle Excise Tax Valuation Study," January 2006. [JTC 2005/6 MVET Valuation Study](#)

## Historical MVET Distributions

1995–1997 Biennium through 1997–1999 Biennium  
(Dollars in Millions)

	<u>95–97</u>	<u>97–99</u>
<b>Collections:</b>		
Total Collections	<u>\$1,374.9</u>	<u>\$1,617.7</u>
<b>Distributions:</b>		
DOL	\$19.5	\$24.1
Ferry Capital	101.9	119.9
Ferry Operations	50.8	59.9
Counties	20.0	23.7
Cities	59.4	70.0
County Public Health	30.4	45.9
Criminal Justice	104.5	147.4
Transportation Fund	188.1	353.3
Motor Vehicle Fund	0.0	38.6
General Fund	<u>800.3</u>	<u>734.9</u>
<b>TOTAL</b>	<u><b>\$1,374.9</b></u>	<u><b>\$1,617.7</b></u>

### Distributions from General Fund and Transportation Fund:\*

Transit Districts	345.6	401.3
Transit Equalization	2.3	5.2
CPSPTA & PTSA	18.1	19.8
Passenger Ferry	0.5	0.6
High Capacity Transp. Account	12.7	14.6

- \* Transit district and transit-related distributions were paid from the General Fund and the Transportation Fund (after Referendum 49) in the 97–99 Biennium. CPSPTA and PTSA stand for Central Puget Sound Public Transportation Account and Public Transportation Systems Account.

<u>REVENUE SOURCE:</u>	<b>Motor Vehicle License Fee</b>								
<u>RCW:</u>	82.80.020 (Authorized in 1990)								
<u>WHO'S TAXED:</u>	Owners of motor vehicles								
<u>TAX RATE:</u>	Up to \$15 maximum per vehicle registered in county.								
<u>TAX PROVISIONS:</u>	<ul style="list-style-type: none"> <li>• County legislative authority may impose the fee, without voter approval.</li> <li>• Applies to incorporated and unincorporated areas.</li> <li>• City or town may impose the fee only if authorized by a majority of voters and only if the county has not imposed the fee.</li> <li>• The 1998 law extends applicability to trucks weighing 6,000 pounds or less (unladen).</li> <li>• Revenues distributed to county and cities contained within the county levying the tax on a weighted per capita basis (1.5 for population in unincorporated areas; 1.0 for population in incorporated areas).</li> <li>• Subject to planning provisions.</li> <li>• Subject to exclusive referendum procedure. (See <i>Background Information, page 131</i>).</li> </ul>								
<u>EXEMPTIONS:</u>	<ul style="list-style-type: none"> <li>• Exempts all trucks above 6,000 pounds (unladen), buses, for-hire vehicles, commercial trailers, and converter gears.</li> <li>• Allows county to exempt senior citizens with incomes below level set by county and persons with physical disabilities.</li> </ul>								
<u>DISTRIBUTION AND USE:</u>	For general transportation purposes in counties and cities, including highways, public transportation, high capacity transportation, transportation planning and design, and other transportation-related activities.								
<u>REVENUE:</u>	Counties that imposed the motor vehicle license fee during 2002 as reported by the Department of Licensing:								
	<table border="0"> <tr> <td>Douglas County</td> <td style="text-align: right;">\$352,888</td> </tr> <tr> <td>King County</td> <td style="text-align: right;">\$17,404,484</td> </tr> <tr> <td>Pierce County</td> <td style="text-align: right;">\$6,993,526</td> </tr> <tr> <td>Snohomish County</td> <td style="text-align: right;">\$6,453,459</td> </tr> </table>	Douglas County	\$352,888	King County	\$17,404,484	Pierce County	\$6,993,526	Snohomish County	\$6,453,459
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King County	\$17,404,484								
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Snohomish County	\$6,453,459								

TAX HISTORY:

- 1990: Counties eligible to impose vehicle fee not more than \$15/vehicle
- 1991: Allowed a refund for vehicle owners over 61 years of age meeting an income test
- 1993: Refund changed to an exemption; exemption broadened to include persons with disabilities
- 1996: Exemption provided for certain "Foreign Organizations" eligible for special license plates
- 1998: Qualifying cities or towns in counties that had not yet imposed the fee given the authority to impose the vehicle license fee upon voter approval; provided an exemption for vehicles with an unladen weight of more than 6,000 pounds.
- 2002: Repealed by Initiative 776, November 5, 2002. (Chapter 1, Laws of 2003).

<u>REVENUE SOURCE:</u>	<b>Travel Trailer and Camper Excise Tax</b>
<u>RCW:</u>	82.50.410 (tax) 82.50.425 (valuation) <b>Chapter 1, 1st Special Session, Laws of 2000 repealed the travel trailer and camper excise tax, effective January 1, 2000</b>
<u>WHO'S TAXED:</u>	Travel trailer and camper owners
<u>TAX RATE:</u>	Annual rate of 1.1% of value of the travel trailer or camper; value is based on statutory schedule (RCW 82.50.425) applied to the manufacturer's suggested retail price.
<u>ADMINISTERED BY:</u>	Department of Licensing
<u>WHERE DEPOSITED:</u>	General Fund Transportation Fund
<u>DISTRIBUTION &amp; USE:</u>	1.1% of value: <ul style="list-style-type: none"> <li>• 13.64% to cities</li> <li>• 13.64% to counties</li> <li>• 63.64% to General Fund; appropriated for schools</li> <li>• 9.08% to Transportation Fund; appropriated for general transportation purposes</li> </ul>
<u>TAX EXEMPTIONS:</u>	Dealer inventory held for sale (RCW 82.50.520(1)) Government agency (RCW 82.50.520(2)) Nonresidents (RCW 82.50.520(3))
<u>TAX HISTORY:</u>	1943 1.5% (travel trailer) 1955 1.0% (travel trailer) 1971 2.0% (camper) 1972 1.0% (camper) 1990 1.1% (changed vehicle valuation schedules; added 0.1% surtax to base rate to be deposited in Transportation Fund) 1998 1.1% (eliminated 0.1% surtax and consolidated tax rate at 1.1%; distribution changed to maintain revenue neutrality) 2000 Repealed by Chapter 1, 1 <sup>st</sup> Special Session, Laws of 2000

<u>REVENUE SOURCE:</u>	<b>Vehicle Dealer Excise Tax</b>
<u>RCW:</u>	82.44.030 <b>Chapter 1, 1st Special Session, Laws of 2000 repealed the vehicle dealer excise tax, effective January 1, 2000</b>
<u>WHO'S TAXED:</u>	Vehicle Dealers
<u>TAX RATE:</u>	One-time fee of \$2 per set of vehicle dealer license plates; for privilege of demonstrating vehicles held for retail sale.
<u>ADMINISTERED BY:</u>	Department of Licensing
<u>WHERE DEPOSITED:</u>	The proceeds of this tax are deposited in the same accounts as the motor vehicle excise tax.
<u>DISTRIBUTION &amp; USE:</u>	Appropriated for general government purposes and highway-related purposes.
<u>TAX EXEMPTIONS:</u>	None
<u>TAX HISTORY:</u>	1943 \$2 per set of plates 2000 Repealed by Chapter 1, 1 <sup>st</sup> Special Session, Laws of 2000

