

## CHAPTER 177.

[H. B. 259.]

## LICENSING OF DISTRIBUTORS AND TAXING OF OILS.

AN ACT imposing an excise tax on gasoline and other inflammable liquids, and providing for the payment, collection and lien of the tax; amending sections 1, 5 and 17 of chapter 58, Laws of 1933 (sections 8327-1, 8327-5, 8327-17, Remington's Revised Statutes); defining distribution; redefining distributors; providing for ex-tax sales between distributors; providing for evaporation and handling losses; and enacting a new section relating to tax payments, reports, penalties and remedies applicable to persons other than distributors.

*Be it enacted by the Legislature of the State of Washington:*

Amends  
§ 8327-1 Rem.  
Rev. Stat.

SECTION 1. That section 1 of chapter 58, Laws of 1933 (section 8327-1, Remington's Revised Statutes) be amended to read as follows:

Definitions.

Section 1. DEFINITIONS. The following words, terms and phrases shall, whenever used in this act, have the meaning set forth in this section:

"Motor  
vehicle."

(a) "Motor vehicle" shall mean and include every vehicle which is in itself a self-propelled unit, equipped with solid rubber, hollow-cushion rubber or pneumatic rubber tires and capable of being moved or operated upon a public highway, except motor vehicles used as motive power for or in conjunction with farm implements and machines or implements of husbandry.

"Motor  
vehicle fuel."

(b) "Motor vehicle fuel" shall mean and include gasoline or any other inflammable liquid, by whatsoever name such liquid may be known or sold, the chief use of which is as fuel for the propulsion of motor vehicles, motor boats or airplanes.

"Distribu-  
tor."

(c) "Distributor" shall mean and include every person, firm, association or corporation who refines, manufactures, produces or compounds motor vehicle fuel and sells, distributes, or in any manner uses the same in this state; also every person, firm,

association or corporation engaged in business as a bona fide wholesale merchant dealing in motor vehicle fuel who either acquires the same within the state from any person refining it within or importing it into the state, on which the tax has not been paid, or imports the same into this state and sells, distributes, or in any manner uses the same in this state.

(d) "Service station" is a place operated for the purpose of delivering motor vehicle fuel into the fuel tanks of motor vehicles. "Service station."

(e) "Director." The Director of Licenses, State of Washington, or his duly authorized deputy or representative. "Director."

(f) "Department." The Department of Licenses of the State of Washington. "Department."

(g) "Dealer." Any person, as herein defined, engaged in the retail sale of liquid motor vehicle fuels. "Dealer."

(h) "Person." Every natural person, firm, partnership, association, or private or public corporation. "Person."

(i) "Highway." Every way or place of whatever nature open to the use of the public, as a matter of right, for purposes of vehicular travel. "Highway."

(j) "Broker" shall mean and include every person, firm, association or corporation, other than a distributor, engaged in business as a broker, jobber or wholesale merchant dealing in motor vehicle fuel or other petroleum products used or usable in propelling motor vehicles, or in other petroleum products which may be used in blending, compounding or manufacturing of motor vehicle fuel. "Broker."

(k) "Producer" shall mean and include every person, firm, association or corporation, other than a distributor, engaged in the business of producing motor vehicle fuel or other petroleum products used in, or which may be used in, the blending, compounding or manufacturing of motor vehicle fuel. "Producer."

"Distribu-  
tion."

(1) "Distribution" shall mean and include all withdrawals of motor vehicle fuel for delivery to others, to retail service stations, or to unlicensed bulk storage plants.

Amends  
§ 8327-5 Rem.  
Rev. Stat.

SEC. 2. That section 5 of chapter 58, Laws of 1933 (section 8327-5, Remington's Revised Statutes) be amended to read as follows:

Tax on  
distributors.

Section 5. TAX ON DISTRIBUTORS. Every distributor shall pay, in addition to any other taxes provided by law, an excise tax to the treasurer of this state of five cents (5¢) for each gallon of motor vehicle fuel sold, distributed or used by it in the State of Washington: *Provided, however,* That under such regulations as the Director of Licenses may prescribe sales or distribution of motor vehicle fuel may be made by one licensed distributor to another licensed distributor free of the tax. In the computation of the tax, one (1) per cent of the net gallonage otherwise taxable shall be deducted by the distributor before computing the tax due, on account of the losses sustained through evaporation and handling. The tax herein imposed shall be collected and paid to the State of Washington but once in respect to any motor vehicle fuel. Bills should be rendered by distributors to all purchasers of inflammable petroleum products of fifty (50) gallons or more, and upon request to all purchasers of smaller lots. In the case of sales of motor vehicle fuels as herein defined, such bills shall contain a statement that the distributor has assumed the tax thereon; and in other cases the bills shall contain a statement that the purchaser is responsible for the tax, if the products shall be used for the purpose of operating a motor vehicle.

Amends  
§ 8327-13  
Rem. Rev.  
Stat.

SEC. 3. That section 13 of chapter 58, Laws of 1933 (section 8327-13, Remington's Revised Statutes) be amended to read as follows:

Section 13. The Director of Licenses, or his duly authorized agents, shall have the power and is hereby authorized to make any and all such examinations, of the records, stocks, facilities and equipment of distributors, producers, brokers, and service stations, and such other investigations as he may deem necessary in carrying out the provisions of this act. If such examinations or investigations made by the Director of Licenses shall disclose that any reports of distributors of motor vehicle fuel theretofore filed with said Director by said distributors pursuant to the requirements of this act have shown incorrectly the amount of gallonage of motor vehicle fuel distributed or the tax accruing thereon, said Director shall have the power and is hereby authorized to make such changes in subsequent reports and payments of said distributors under this act as he may deem necessary to correct the errors disclosed by his examinations or investigations as hereinbefore authorized.

Investiga-  
tions.Correction  
of errors.

SEC. 4. That section 17 of chapter 58, Laws of 1933 (section 8327-17, Remington's Revised Statutes) be amended to read as follows:

Amends  
§ 8327-17  
Rem. Rev.  
Stat.

Section 17. EXEMPTIONS. Every person who imports motor vehicle fuel into this state for his own use in equipment other than motor vehicles shall not, for that reason alone, be required to secure a distributor's license or to comply with any of the provisions of this act herein imposed upon a distributor or with the provisions of section 5 (a) of this act; but such person shall make a report verified under oath and file the same with the Director on or before the tenth (10th) day of the succeeding month, showing the number of gallons of motor vehicle fuel so imported and the number of gallons of such motor vehicle fuel used during the preceding month, the name of the person from whom the motor vehicle fuel was purchased, the

Exemptions.

Report.

Aircraft or  
motor boats.

date of purchase, the place of storage, and the manner of use or intended use together with a description of the equipment in which the same is used. These reports shall be filed upon blanks prepared and furnished by the Director: *Provided, however,* That any person coming into this state in an aircraft or motor boat shall not be required to make such a report in respect to any motor vehicle fuel carried in the fuel tanks of such vehicle for the purpose of propelling such vehicle, and every person coming into this state in a motor vehicle may transport in the fuel tanks of such vehicle for the propulsion thereof not more than twenty (20) gallons of motor vehicle fuel or other inflammable petroleum products without paying the tax, securing the license or making any report herein provided, but if the motor vehicle fuel so brought into the state be removed from the fuel tanks of said vehicles or used for any purpose other than the propulsion of said vehicles, the person so importing motor vehicle fuel shall be subject to all the provisions of this act applying to distributors. The Director of Licenses shall have the right, in order to establish the validity of any exemption, to examine the books and records of the claimant for such purpose and the failure of the claimant to accede to the demand for such examination shall constitute a waiver of all rights to the exemption herein granted.

Interstate  
or foreign  
commerce.

The provisions of this act requiring the payment of taxes shall not be held or construed to apply to motor vehicle fuel, or other inflammable petroleum products, imported into the State of Washington in inter-state or foreign commerce and intended to be sold while the same are in inter-state or foreign commerce, nor to any motor vehicle fuel, or other inflammable petroleum products, exported from this state, nor to any motor vehicle fuel, or other inflammable petroleum products, sold to the

government of the United States or any department thereof for official use of such government, but every distributor shall report such imports, exports and sales to the Director of Licenses at such times, on such forms, and in such detail as said Director may require.

In support of any exemption from taxes claimed under this section on account of the exportation of motor vehicle fuel, every distributor must execute an export certificate in such form as shall be prescribed, prepared and furnished by the Director of Licenses, containing a sworn statement, made by some person having actual knowledge of the fact of such exportation, that the motor vehicle fuel has been exported from the State of Washington, and giving such details with reference to such shipment as said Director may require. All export certificates must be completed and filed with the Director of Licenses thirty (30) days after the end of the calendar month in which the shipments to which they relate were made. The Director of Licenses may demand of any distributor such additional data as are deemed necessary by said Director in support of any such certificate, and failure to supply such data will constitute a waiver of all right to exemption claimed by virtue of such certificate.

Export  
certificate.

Any claim for exemption based on a sale to the government of the United States or any department thereof may be made by the distributor at any time within six (6) months after the date of sale, but no claim made after the expiration of said period of six (6) months will be recognized for any purpose by the state or any agency thereof.

Sale to  
United States  
Government.

Nothing herein contained shall be construed to exempt from the payment of the tax any motor vehicle fuel sold and delivered to or used by the State of Washington or any political subdivision thereof, or any inflammable petroleum products other than motor vehicle fuel, used by the State of

Sale to  
state.

Washington, or any political subdivision thereof, on the propulsion of motor vehicles as herein defined.

Motor  
vehicle fuel  
acquired  
from  
United States  
Government.

Motor vehicle fuel or other inflammable petroleum products used by the United States or any of the governmental agencies thereof shall not be subject to tax hereunder. But any person, firm, association or corporation who shall purchase or otherwise acquire motor vehicle fuel as herein defined upon which the state tax has not been paid, from the United States government, or any of its agents or officers, for use not specifically associated with any governmental function or operation or shall so acquire inflammable petroleum products other than motor vehicle fuel and use the same in the propulsion of motor vehicles as herein defined, for a use not associated with any governmental function or operation, shall pay to the State of Washington the tax herein provided upon the motor vehicle fuel, or other inflammable petroleum products so acquired. It shall be unlawful for any person to use or to conspire with any governmental official, agent, or employee for the use of any requisition, purchase order, or any card or any authority to which he is not specifically entitled by government regulations, for the purpose of obtaining any such motor vehicle fuel or other inflammable petroleum products upon which the state tax has not been paid.

Adds § 5a, to  
ch. 58, Laws  
1933.

SEC. 5. That there shall be added to chapter 58, Laws of 1933, a new section to be known as section 5a, to read as follows:

Persons  
other than  
distributors.

Section 5a. Every person other than a distributor who shall acquire any motor vehicle fuel within this state from any person importing it into the state, on which the tax has not been paid or shall import such fuel into this state and sell, distribute, or in any manner use the same in this state shall apply for a license to carry on such activities, file bond, make reports, comply with all regulations

the Director of Licenses may prescribe in respect thereto, and pay a tax of five (5) cents for each gallon thereof so sold, distributed or used in the manner provided for distributors in sections 2, 7 and 8 of chapter 58, Laws of 1933, and the Director of Licenses shall issue a license to such person in the manner provided for issuance of licenses to distributors in section 3 of said chapter 58 of the Laws of 1933. For failure to comply with the terms of this act such person shall be subject to the same penalties imposed upon distributors. The Director of Licenses shall pursue against such persons the same procedure and remedies for audits, adjustments, collection and enforcement of the act as is provided with respect to distributors. Nothing herein shall be construed as classifying such persons as distributors.

Licenses.

Passed the House February 24, 1939.

Passed the Senate March 8, 1939.

Approved by the Governor March 16, 1939.

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## CHAPTER 178.

[H. B. 269.]

### COURT REPORTERS.

AN ACT relating to official court reporters and repealing section 1, chapter 66, Laws of 1919 (section 42-13 of Remington's Revised Statutes), and amending section 4, chapter 126, Laws of 1913 (section 42-4 of Remington's Revised Statutes).

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. That section 1, chapter 66, Laws of 1919 (section 42-13 of Remington's Revised Statutes) is hereby repealed.

Repeals  
§ 42-13 Rem.  
Rev. Stat.

SEC. 2. That section 4, chapter 126, Laws of 1913 (section 42-4 of Remington's Revised Statutes), be amended to read as follows:

Amends  
§ 42-4 Rem.  
Rev. Stat.