
SENATE BILL 5756

State of Washington

68th Legislature

2023 Regular Session

By Senator Muzzall

1 AN ACT Relating to a temporary suspension of the state motor
2 vehicle fuel tax; amending RCW 82.38.030; adding a new section to
3 chapter 82.32 RCW; creating a new section; and declaring an
4 emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds:

7 (a) Gasoline and diesel are essential to daily life for most
8 Washington residents, with gasoline and diesel helping to take most
9 working people to and from their jobs, take most students to and from
10 school, and keep Washington's economy moving, helping transport
11 freight to and from markets and ports and transport food from farm to
12 table.

13 (b) That while the state budget is expected to have a record
14 surplus, Washingtonians are facing record high inflation in the cost
15 of goods and services, and their own household budgets have been
16 affected by high gas prices that have continued to increase over
17 time. It also finds that the cost of gasoline and diesel consumes
18 more financial resources from lower-income households, which can
19 least afford significant price inflation, and from rural households,
20 which incur larger costs for essential travel than residents of more
21 populated regions of the state.

1 (2) The legislature intends to make gasoline and diesel more
2 affordable for the families, job creators, students, and residents of
3 Washington by suspending the motor vehicle fuel tax, using a portion
4 of the historic budget surplus, and offering this significant, direct
5 tax relief through December 31, 2023.

6 **Sec. 2.** RCW 82.38.030 and 2015 3rd sp.s. c 44 s 103 are each
7 amended to read as follows:

8 (1) There is levied and imposed upon fuel licensees a tax at the
9 rate of (~~twenty-three~~) 23 cents per gallon of fuel.

10 (2) Beginning July 1, 2003, an additional and cumulative tax rate
11 of five cents per gallon of fuel is imposed on fuel licensees. This
12 subsection (2) expires when the bonds issued for transportation 2003
13 projects are retired.

14 (3) Beginning July 1, 2005, an additional and cumulative tax rate
15 of three cents per gallon of fuel is imposed on fuel licensees.

16 (4) Beginning July 1, 2006, an additional and cumulative tax rate
17 of three cents per gallon of fuel is imposed on fuel licensees.

18 (5) Beginning July 1, 2007, an additional and cumulative tax rate
19 of two cents per gallon of fuel is imposed on fuel licensees.

20 (6) Beginning July 1, 2008, an additional and cumulative tax rate
21 of one and one-half cents per gallon of fuel is imposed on fuel
22 licensees.

23 (7) Beginning August 1, 2015, an additional and cumulative tax
24 rate of seven cents per gallon of fuel is imposed on fuel licensees.

25 (8) Beginning July 1, 2016, an additional and cumulative tax rate
26 of four and nine-tenths cents per gallon of fuel is imposed on fuel
27 licensees.

28 (9) Taxes are imposed when:

29 (a) Fuel is removed in this state from a terminal if the fuel is
30 removed at the rack unless the removal is by a licensed supplier or
31 distributor for direct delivery to a destination outside of the
32 state, or the removal is by a fuel supplier for direct delivery to an
33 international fuel tax agreement licensee under RCW 82.38.320;

34 (b) Fuel is removed in this state from a refinery if either of
35 the following applies:

36 (i) The removal is by bulk transfer and the refiner or the owner
37 of the fuel immediately before the removal is not a licensed
38 supplier; or

1 (ii) The removal is at the refinery rack unless the removal is to
2 a licensed supplier or distributor for direct delivery to a
3 destination outside of the state, or the removal is to a licensed
4 supplier for direct delivery to an international fuel tax agreement
5 licensee under RCW 82.38.320;

6 (c) Fuel enters into this state for sale, consumption, use, or
7 storage, unless the fuel enters this state for direct delivery to an
8 international fuel tax agreement licensee under RCW 82.38.320, if
9 either of the following applies:

10 (i) The entry is by bulk transfer and the importer is not a
11 licensed supplier; or

12 (ii) The entry is not by bulk transfer;

13 (d) Fuel enters this state by means outside the bulk transfer-
14 terminal system and is delivered directly to a licensed terminal
15 unless the owner is a licensed distributor or supplier;

16 (e) Fuel is sold or removed in this state to an unlicensed entity
17 unless there was a prior taxable removal, entry, or sale of the fuel;

18 (f) Blended fuel is removed or sold in this state by the blender
19 of the fuel. The number of gallons of blended fuel subject to tax is
20 the difference between the total number of gallons of blended fuel
21 removed or sold and the number of gallons of previously taxed fuel
22 used to produce the blended fuel;

23 (g) Dyed special fuel is used on a highway, as authorized by the
24 internal revenue code, unless the use is exempt from the fuel tax;

25 (h) Dyed special fuel is held for sale, sold, used, or is
26 intended to be used in violation of this chapter;

27 (i) Special fuel purchased by an international fuel tax agreement
28 licensee under RCW 82.38.320 is used on a highway; and

29 (j) Fuel is sold by a licensed fuel supplier to a fuel
30 distributor or fuel blender and the fuel is not removed from the bulk
31 transfer-terminal system.

32 (10) No taxes may be imposed under this section beginning on the
33 effective date of this section through December 31, 2023. However, in
34 order to be exempt from the tax imposed under this section, the
35 licensee must provide certification and documentation to the
36 department that the prices paid by consumers will be lowered by a
37 commensurate amount to the tax not imposed during this time period.

38 NEW SECTION. Sec. 3. A new section is added to chapter 82.32
39 RCW to read as follows:

1 On September 1, 2023, the state treasurer must transfer from the
2 general fund to the motor vehicle fund created in RCW 46.68.070 a
3 total of \$1,300,000,000.

4 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of
6 the state government and its existing public institutions, and takes
7 effect immediately.

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