

Department of Revenue Fiscal Note

Bill Number: 2418 HB 2418 AMH FIN H3929.2	Title: Alt. fuel vehicle tax exem	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2014	FY 2015	2013-15	2015-17	2017-19
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax				(17,330,000)	(30,387,000)
Multimodal Transportation Account-State 01 - Taxes 01 - Retail Sales Tax				(801,000)	(1,405,000)
Performance Audits of Government Account-State 01 - Taxes 01 - Retail Sales Tax				(27,000)	(49,000)
Total \$				(18,158,000)	(31,841,000)

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0		0.0		
Account					
GF-STATE-State 001-1	2,700		2,700		
Total \$	2,700		2,700		

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

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Agency Approval:	Don Gutmann	Phone: 360-534-1510	Date: 02/12/2014
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Request # 2418-3-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Note: This fiscal note reflects language in draft legislation HB 2418 AMH FIN H3929.2, 2014 Legislative Session.

Extends until 2023 the alternative fuel vehicles sales and use tax exemption found in RCW 82.08.809. Under current law this exemption will expire July 1, 2015.

HB 2418 AMH FIN H3929.2 limits the alternative fuel vehicle retail sales and use tax exemption to qualifying vehicles sold for less than \$60,000.

Requires the Department of Revenue to provide a separate tax reporting line for alternative fuel vehicle exemption amounts.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

DATA SOURCES

www.hybridcars.com

www.fueleconomy.gov

www.nada.com

Department of Licensing

REVENUE ESTIMATES

There is a loss of state revenue of \$7.5 million in Fiscal Year 2016 and a loss of \$10.6 million in Fiscal Year 2017 .

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2014 -	\$	0
FY 2015 -	\$	0
FY 2016 -	(\$	7,509)
FY 2017 -	(\$	10,649)
FY 2018 -	(\$	13,844)
FY 2019 -	(\$	17,997)

Local Government, if applicable (cash basis, \$000):

FY 2014 -	\$	0
FY 2015 -	\$	0
FY 2016 -	(\$	2,650)
FY 2017 -	(\$	3,758)
FY 2018 -	(\$	4,886)
FY 2019 -	(\$	6,352)

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS:

2,600 taxpayers will be affected by this legislation.

FIRST YEAR COSTS:

The Department of Revenue will incur total costs of \$2,700 in Fiscal Year 2014. These costs include:

- Labor Costs – Time and effort equates to 0.03 FTEs.
- Expedite one administrative rule

ONGOING COSTS:

There are no ongoing costs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0		0.0		
A-Salaries and Wages	1,700		1,700		
B-Employee Benefits	500		500		
E-Goods and Other Services	300		300		
J-Capital Outlays	200		200		
Total \$	\$2,700		\$2,700		

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2014	FY 2015	2013-15	2015-17	2017-19
HEARINGS SCHEDULER	32,688	0.0		0.0		
TAX POLICY SP 2	61,628	0.0		0.0		
TAX POLICY SP 3	69,756	0.0		0.0		
WMS BAND 3	88,546	0.0		0.0		
Total FTE's	252,618	0.0		0.0		

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the Department of Revenue will use the expedited process to adopt WAC 458-20-279 Rule, titled: "Clean alternative fuel vehicles and high gas mileage vehicles". Persons affected by this rule-making would include owners of vehicles powered by clean alternative fuel sold for less than \$60,000.