

SENATE BILL REPORT

SB 5989

As of January 23, 2026

Title: An act relating to the distribution of aircraft fuel tax revenue.

Brief Description: Concerning the distribution of aircraft fuel tax revenue.

Sponsors: Senators Boehnke and Dozier.

Brief History:

Committee Activity: Transportation: 1/15/26 [w/oRec-WM].

Ways & Means: 1/26/26.

Brief Summary of Bill

- Directs a portion of the state sales and use tax on aviation fuel to the aeronautics account.
- Requires the aviation division of the Department of Transportation to report to the Legislature of the additional funds awarded for airport projects and their estimates of tax revenues generated by funded airport projects.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Tianyi Lan (786-7432)

Background: Aviation Fuels. Aircraft fuel is gasoline or any other inflammable liquid that is chiefly used as a fuel for the propulsion of aircraft. Aviation gasoline and jet fuel are two common aircraft fuels sold in Washington.

An excise tax of \$0.18 is levied on distributors for each gallon of aircraft fuel sold, delivered, or used in Washington, with some exceptions. This excise tax is collected by the Department of Licensing and remitted to the state treasurer for deposit into the aeronautics

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account.

A state sales or use tax of 6.5 percent of the selling price of aircraft fuel is collected from purchasers and users of aircraft fuel in Washington. The sales and use tax is collected by a seller of aircraft fuel. The seller of aircraft fuel then remits the collected sales and use tax amount to the Department of Revenue (DOR), and DOR remits the money to the treasurer for deposit into the state general fund.

The Aeronautics Account. Revenues generated from the state aircraft fuel excise tax are deposited into the state aeronautics account. Expenditure from the account requires an appropriation and can only be used for aviation-related purposes.

Summary of Bill: The bill directs a portion of state sales and use taxes on aircraft fuel to the aeronautics account, instead of the state general fund. In fiscal year 2027, 0.5 percent of these taxes are distributed to the aeronautics account, increasing to 1 percent beginning in fiscal year 2028.

The bill also requires the Department of Transportation to report to the Legislature:

- the annual amount of additional funds awarded for airport projects to the transportation committees; and
- the biennial estimated amount returned to the general fund, accounting for sales and business and occupation taxes generated by funded airport projects, to the fiscal committees.

The bill takes effect July 1, 2026.

Appropriation: None.

Fiscal Note: Requested on January 10, 2026.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on July 1, 2026.