



## Resolution No. R2026-12

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority for the Pierce, King, and Snohomish Counties region fixing and imposing an additional 1.372 percent sales and use tax upon retail car rentals; and authorizing the chief executive officer to contract with the State of Washington for tax collection and administration.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, in Resolution No. 82, adopted February 13, 1997, and consistent with Chapters 81.104 and 81.112 RCW, Sound Transit levied, fixed, and imposed (1) a sales and use tax at the rate of fourth-tenths of one percent on taxable events within its boundaries; (2) a motor-vehicle excise tax of three-tenths of one percent of the value on every motor vehicle owned by residents within its boundaries; and (3) a sales and use tax of eight-tenths of one percent upon retail car rentals within its boundaries. These taxes (collectively, the "existing local taxes") have been pledged to the payment of outstanding bonds issued by Sound Transit; and

WHEREAS, in November 2002, the voters approved Initiative Measure 776 which repealed Sound Transit's motor-vehicle excise tax and amended RCW 81.104.160 to grant Sound Transit the authority to continue to levy a sales and use tax upon retail car rentals independent of the motor-vehicle excise tax; and

WHEREAS, in 2015, RCW 81.104.160 was amended to authorize Sound Transit to levy, fix, and impose a new motor-vehicle excise tax not exceeding eight-tenths of one percent, and to levy, fix and impose a sales and use tax on retail car rentals that must bear the same ratio to 2.172 percent as the voter-approved motor-vehicle tax imposed pursuant to RCW 81.104.160(1) bears to the maximum statutory motor-vehicle excise tax rate authorized by RCW 81.104.160(1); and

WHEREAS, at the November 8, 2016 general election, voters approved Sound Transit Proposition 1 (Resolution No. R2016-17) authorized to apply available existing local taxes approved by voters to fund Sound Move and Sound Transit 2 to fund the Sound Transit 3 Regional Transit System Plan improvements and services, and to impose (1) an additional sales and use tax of five-tenths of one percent; (2) a property tax of twenty-five cents per \$1,000 of assessed valuation commencing in 2017, and thereafter in annual amounts that include the statutorily permitted annual increases to the aggregate amount of the property tax collected as required to comply with Chapter 84.55 RCW; and (3) an additional motor-vehicle excise tax of eight-tenths of one percent; and

WHEREAS, pursuant to RCW 81.104.190, Sound Transit is authorized to contract with the state department of revenue or other appropriate entities for administration, collection and transference of taxes authorized by Chapter 81.104 RCW.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority as follows:

Section 1. As authorized by voter approval of Proposition 1 (Resolution No. R2016-17) on November 8, 2016, an additional sales and use tax is hereby levied, fixed, and imposed upon retail car rentals within the Sound Transit District that are taxable by the state under Chapters 82.08 RCW and 82.12 RCW. The total rate of the sales and use tax levied, fixed, and imposed upon retail car rentals will bear the same ratio to the maximum rate authorized by RCW 81.104.160(2) as the motor vehicle excise tax authorized to be levied, fixed, and imposed by Proposition 1 (Resolution No. R2016-17) bears on the maximum motor vehicle excise tax authorized by RCW 81.104.160(1)(a). Accordingly, to impose the 2.172 excise tax rate on rental car rentals required by RCW 81.104.160(2), the existing eight-tenths of one-percent excise tax on rental car rentals is hereby increased by an additional 1.372 percent of the selling price of the vehicle in the case of a sales tax or the rental value of the vehicle used in the case of a use tax. The additional 1.372 percent excise sales and use tax upon retail car rentals is imposed effective January 1, 2027.

Section 2. Beginning January 1, 2027, the total sales and use tax hereby levied, fixed, imposed, and collected upon retail car rentals within the Sound Transit district will be 2.172 percent of the selling price of the vehicle in the case of a sales tax or the rental value of the vehicle used in the case of a use tax.

Section 3. The existing local taxes shall remain in full force and effect and will continue to be collected and applied consistent with Resolution 73, Resolution No. 75, Resolution No. 82, Resolution No. R2008-10, Resolution No. R2008-11, Resolution No. R2016-17, and Resolution No. R2016-29.

Section 4. The chief executive officer is authorized to contract with the Department of Revenue for collection, transference, and administration of the additional taxes imposed by Section 1 of this Resolution. The chief executive officer is also authorized to execute all other contracts with the Department of Revenue as may be necessary to implement this Resolution. The contracts must be in a form approved by legal counsel.

Section 5. The Board further authorizes the chief executive officer to take any actions deemed necessary or useful to implement this Resolution.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on \_\_\_\_\_.

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Dave Somers  
Board Chair

**Attest:**

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Kathryn Flores  
Board Administrator