

SENATE BILL REPORT

SHB 1248

As Reported By Senate Committee On:
Labor, Commerce & Trade, March 20, 1995
Ways & Means, April 3, 1995

Title: An act relating to tax deferrals for a new thoroughbred race track facility.

Brief Description: Providing tax deferrals for a new thoroughbred race track facility.

Sponsors: House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven, G. Fisher, Boldt, Carrell, Campbell, Mason, Ebersole, B. Thomas, Cairnes, Radcliff, Cooke, Chandler, Mielke, Ballasiotes, Robertson, Mitchell, Schoesler, Appelwick, Sheldon, Costa, Morris, Basich and Conway).

Brief History:

Committee Activity: Labor, Commerce & Trade: 3/20/95 [DPA].
Ways & Means: 4/3/95 [DPA (LAB)].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass as amended.

Signed by Senators Pelz, Chair; Deccio, Franklin, Hale and Newhouse.

Staff: Traci Ratzliff (786-7452)

Background: The state retail sales tax is imposed on sales of most articles of tangible personal property, construction including labor, repair of tangible personal property, and certain services. The state use tax applies to items used in this state, the acquisition of which was not subject to the retail sales tax, including purchases in other states, purchases from sellers who do not collect Washington sales tax and items produced for use by the producer. These taxes are imposed by both the state and the local government.

Summary of Amended Bill: A retail sales and use tax deferral is created for "a new thoroughbred race track facility." The tax deferral applies to all materials, equipment, and labor used to construct or equip the facility. The retail sales and use taxes are deferred, interest free, for a five-year period. The deferred taxes are required to be repaid over a ten-year period.

The Department of Revenue must adopt rules for the administration of the thoroughbred race track tax deferral.

Amended Bill Compared to Original Bill: The deferral period for the tax is changed from ten years to five years. The repayment period is changed from five years to ten years.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill will help to assure the rebuilding of the thoroughbred horse racing industry which has been in decline in recent years due to the absence of a race track in western Washington.

Testimony Against: None.

Testified: Representative Van Luven, original prime sponsor (pro); Ron Crockett, Jim Halstrom, Northwest Racing Association (pro); Marlyta Deck, Washington State Fair Association (pro).

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Labor, Commerce & Trade.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Gaspard, Hargrove, Hochstatter, Johnson, Long, McDonald, Pelz, Roach, Snyder, Spanel, Strannigan, Sutherland, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7715)

Testimony For: None.

Testimony Against: None.

Testified: No one.