

# FINAL BILL REPORT

## SB 5755

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C 201 L 95  
Synopsis as Enacted

**Brief Description:** Concerning the taxation of property donated to a nonprofit entity.

**Sponsors:** Senators Loveland, Newhouse, Spanel, Rasmussen and Haugen.

**Senate Committee on Ways & Means**  
**House Committee on Finance**

**Background:** The state sales tax is paid on each retail sale of most articles of tangible personal property and certain services. The use tax is imposed on the use of articles of tangible personal property when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state firms, including purchases by mail order.

Exempt from use tax are articles of tangible personal property acquired by gift if the donor has paid a sales or use tax on the property. Computers and computer accessories and software donated to schools or colleges are also exempt from use tax.

**Summary:** A use tax exemption is provided for the use by a nonprofit charitable organization, the state, or a local governmental entity of tangible personal property that is donated to the nonprofit charitable organization, the state, or local governmental entity.

**Votes on Final Passage:**

Senate	47 0
House	95 0

**Effective:** May 1, 1995