

SENATE BILL REPORT

ESSB 6284

As Passed Senate, February 8, 1996

Title: An act relating to sales and use tax exemptions for public records.

Brief Description: Providing sales and use tax exemptions for public records.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Drew, Haugen, Winsley, McCaslin and Roach).

Brief History:

Committee Activity: Ways & Means: 1/23/96, 1/24/96 [DPS].
Passed Senate, 2/8/96, 48-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6284 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Hargrove, Hochstatter, Johnson, Long, Moyer, Roach, Sheldon, Spanel, Strannigan, West and Winsley.

Staff: Terry Wilson (786-7433)

Background: The sales tax is imposed on each retail sale of most articles of tangible personal property and certain services. Sale is defined as the transfer of property for a valuable consideration. It also includes the imprinting of tangible personal property. 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.

Because the sales tax applies to the transfer of property for consideration and also to the imprinting of tangible personal property, the sales tax applies to the photocopying of documents.

Current law requires that public records be available for inspection and copying. A reasonable charge, not exceeding the actual costs directly incident to copying, may be imposed for providing copies. Public records include any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function. For the offices of the Secretary of the Senate and the Chief Clerk of the House of Representatives, public records include correspondence, amendments, reports, minutes of meetings and transcripts, and supplementary written testimony or data. It also includes budget and financial records; personnel leave, travel, and payroll records; records of legislative sessions; and reports submitted to the Legislature. It does not include the records of an official act of the Legislature kept by the Secretary of State, bills and their copies, published materials, digests, or multi-copied matter which are routinely retained and

otherwise available at the state library or in a public repository, or reports or correspondence under the personal control of the individual members of the Legislature.

Summary of Bill: A sales and use tax exemption is provided for the sale and use of public records that are copied under a request for the record for which no fee is charged, other than a statutorily set fee or a fee to cover the actual costs directly incident to the copying. This exemption includes requests for documents not available to the public but available to those persons who by law are allowed access to the documents, such as fire reports, police reports, taxpayer information, and academic transcripts.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect April 1, 1996.

Testimony For: Collecting tax on public records is an administrative nightmare compared to the benefit of the tax collected. Many cities have copy machines available for these purposes at \$0.15 per page. You can't collect \$0.17 per page, so personnel would have to be used resulting in a great cost for a very small amount of tax revenue. The burden of collecting the tax greatly exceeds the revenues.

Testimony Against: None.

Testified: Debbie Wilke, WACO (pro); Jim Justin, AWC (pro); Roger Ferris, WA Fire Commissioners, HSSOC (pro).