

# SENATE BILL REPORT

## SB 6780

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As of March 7, 1996

**Title:** An act relating to sales and use tax relief for flood victims.

**Brief Description:** Providing tax exemptions for items obtained to replace flood-damaged items.

**Sponsors:** Senators Zarelli, Bauer, Swecker, Quigley, Sutherland, Moyer, A. Anderson, Hargrove and West.

**Brief History:**

**Committee Activity:** Ways & Means: 3/7/96.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** David Schumacher (786-7715)

**Background:** The sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. The total rate is between 7 percent and 8.2 percent, depending on the location.

Use tax is imposed on the use of an item in this state, when the acquisition of the item has not been subject to sales tax. Use tax applies to items purchased from sellers who do not collect sales tax, items acquired from out of state, and items produced by the person using the item. Use tax is equal to the sales tax rate multiplied by the value of the property used.

**Summary of Bill:** A sales and use tax exemption is allowed for the replacement of tangible personal property damaged in floods and for labor and services rendered while repairing residential buildings. The building must be located in a county that has been declared a disaster area.

**Appropriation:** None.

**Fiscal Note:** Available.

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