

HB 2969

Bill Analysis

February 3, 1998

Brief Description: Providing a sales and use tax exemption for gun safes.

Bill Sponsors: Representatives Carrell, Sheahan, B. Thomas, Robertson, Sterk, Sherstad, McMorris, Backlund, Ballasiotes, Talcott, DeBolt, Alexander, Boldt, Zellinsky, Pennington, Mitchell, Huff, K. Schmidt, Dyer, Bush, Dunn, Schoesler, Smith, D. Sommers, Dunshee and McCune.

Staff: Linda Brooks, 786-7153.

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 tax rate is between 7 percent and 8.6 percent, depending on location. Sales tax applies when items are purchased at retail in state. Sales tax is paid by the purchaser and collected by the seller.

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. Use tax is paid directly to the Department of Revenue.

Summary of Bill: Gun safes are exempt from sales and use taxes. Gun safes are enclosures specifically designed or modified for the purpose of storing firearms and equipped with locks or similar devices which prevent the unauthorized use of the firearms.

Appropriation: None.

Fiscal Note: Requested.

Effective Date: July 1, 1998.

House of Representatives
Office of Program Research
Finance Committee

P.O. Box 40600
Olympia WA 98504-0600
Phone 360-786-7100
