

# HOUSE BILL REPORT

## SB 5353

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As Passed House  
April 17, 1997

**Title:** An act relating to limiting a tax exemption for motor vehicles.

**Brief Description:** Limiting the tax exemption for motor vehicles.

**Sponsors:** Senators Benton, Wood, Brown, Rossi, Stevens and Winsley.

**Brief History:**

**Floor Activity:**

Passed House, 4/17/97, 95-2.

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**Staff:** Bob Longman (786-7139).

**Background:** 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.

New residents in the state are exempt from paying use tax on household goods, personal effects and private automobiles.

**Summary of Bill:** The use tax exemption is extended from automobiles to include other vehicles such as motor cycles and mopeds.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.