

# HOUSE BILL REPORT

## SB 5743

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**As Reported By House Committee On:**  
Higher Education

**Title:** An act relating to the creation of a leasehold excise tax exemption for organizations qualified under section 501(c)(3) of the internal revenue code that provide student housing.

**Brief Description:** Creating a leasehold excise tax exemption for organizations qualified under section 501(c)(3) of the internal revenue code that provide student housing.

**Sponsors:** Senators Wood, Kohl, Hale and Kline; by request of Department of Revenue.

**Brief History:**

**Committee Activity:**

Higher Education: 3/25/97, 3/28/97 [DP].

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass. Signed by 9 members: Representatives Carlson, Chairman; Radcliff, Vice Chairman; Mason, Ranking Minority Member; Kenney, Assistant Ranking Minority Member; Butler; Dunn; O'Brien; Sheahan and Van Loven.

**Staff:** Marilee Scarbrough (786-7196).

**Background:** The leasehold excise tax is imposed on publicly-owned property used for private purposes. The tax is collected by public entities that lease property to private parties. The tax rate of 12.84 percent is imposed on the amount paid in rent for the public property.

Generally, private use of publicly-owned property is subject to leasehold excise taxes. However, there are some exemptions. Some examples of leasehold excise tax exemptions include