

SENATE BILL REPORT

SHB 1184

As Reported By Senate Committee On:
Ways & Means, March 10, 1998

Title: An act relating to coin-operated laundry facilities.

Brief Description: Repealing the sales tax on coin-operated laundromats in apartments, rooming houses, and mobile home communities.

Sponsors: House Committee on Finance (originally sponsored by Representatives Van Luven, Mason, Smith, Dunn, Carrell, Delvin, Cairnes, Sheldon, B. Thomas, Morris, Quall, Koster, Mulliken, Sherstad, Schoesler, D. Schmidt, Hatfield, Wood, Honeyford and Backlund).

Brief History:

Committee Activity: Ways & Means: 3/10/98 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Hochstatter, Kohl, Long, Roach, Rossi, Schow, Swecker, Winsley and Zarelli.

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. Taxable services include construction, repair, telephone, lodging of less than 30 days, physical fitness, and some recreation and amusement services. The use tax is imposed on the use of articles of tangible personal property, the acquisition of which was not subject to sales tax.

The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property is subject to tax, including charges made for the use of coin-operated laundry facilities but excluding sales of laundry service to members by nonprofit associations composed exclusively of nonprofit hospitals.

In 1993, the sales tax was imposed on the use of coin-operated laundry facilities in an apartment house, hotel, motel, rooming house, trailer camp, or tourist camp, for the exclusive use of the tenants thereof. In addition, the business and occupation (B&O) tax classification for this activity changed from service, which was taxed at the rate of 1.5 percent, to retailing, which is taxed at the rate of 0.471 percent.

Summary of Bill: Charges made for the use of coin-operated laundry facilities in an apartment house, rooming house, or mobile home park for the exclusive use of the tenants thereof is removed from the definition of retail sale. As a result of this change, these activities are no longer subject to the retail sales and use tax, and the B&O tax classification changes from retailing to service.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 1998.

Testimony For: None.

Testimony Against: None.

Testified: No one.