

SENATE BILL REPORT

SB 5335

As Reported By Senate Committee On:
Agriculture & Environment, February 19, 1997

Title: An act relating to tax rate modifications for animal health products.

Brief Description: Excluding animal health products from the definition of retail sale, thereby changing the business and occupation tax rate for such activities.

Sponsors: Senators Swecker, Morton and Rasmussen.

Brief History:

Committee Activity: Agriculture & Environment: 2/11/97, 2/19/97 [DPS-WM].

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 5335 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Morton, Chair; Swecker, Vice Chair; Newhouse, Oke and Rasmussen.

Staff: Vic Moon (786-7469)

Background: Products used for animal health, such as antibiotics, vaccination materials, worming compounds and similar health products, are taxed under the retail sales tax. There are significant sales of these products both out-of-state and by mail order catalogs which are not taxed at the same rate.

Summary of Substitute Bill: All health products for cattle and aquaculture fish are exempt from taxation under the retail sales tax.

Substitute Bill Compared to Original Bill: The substitute bill is made much more narrow and does not include all animals or health animal foods.

Appropriation: None.

Fiscal Note: Available on original bill; requested on substitute.

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

Testimony For: Instate sales would increase and animal owners would not purchase products through out-of-state catalogs.

Testimony Against: None.

Testified: Mary Burke, Karla Fullerton, Washington Cattlemen’s Association (pro); Robert Dickey, Lewis County Cattlemen (pro).