

SENATE BILL REPORT

SSB 6549

As Passed Senate, February 16, 1998

Title: An act relating to exempting unassisted self-service motor vehicle wash, wax, and vacuum services rendered through coin-operated devices from sales and use taxes.

Brief Description: Exempting coin-operated services of car washes from sales and use tax.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators West, Hale, Anderson, Loveland, Swecker, Rossi and Deccio).

Brief History:

Committee Activity: Ways & Means: 2/4/98, 2/5/98 [DPS, DNP].
Passed Senate, 2/16/98, 35-13.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6549 be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Hochstatter, Long, Loveland, McDonald, Rossi, Schow, Winsley and Zarelli.

Minority Report: Do not pass.

Signed by Senator Fraser.

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 when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state firms.

Summary of Bill: A sales and use tax exemption is provided for self-service motor vehicle wash and wax facilities. The exemption includes the service of washing, waxing, and vacuuming a motor vehicle or other tangible personal property, if the purchaser or user of the service washes, waxes, or vacuums the person's motor vehicle or other tangible property at the facility, exclusively by means of automatic or manually operated coin-operated devices belonging to the vendor, without assistance from employees.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Operating a car wash is getting more expensive. Equipment must be continually upgraded. All effluents must be disposed of properly. These car washes compete with washing cars in driveways and at charity car washes where the effluents go right into Puget Sound. This bill will allow reinvestment and allow continuation of the business which is a service to the community. Thirty-one states have repealed this tax and 16 have never taxed it.

Testimony Against: None.

Testified: PRO: Sally Kirkpatrick, Hura Clean Car Washes; John Simchuk, Sprague Ave. Car Wash.