

5608-S

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Snyder, McDonald, Loveland, West, Bauer, Hale, Rasmussen and Oke; by request of Department of Revenue)

Brief Title: Revising the machinery and equipment tax exemption for manufacturers and processors for hire.

SB 5608-S.E - DIGEST

(AS OF SENATE 2ND READING 3/12/99)

Finds that the application of the manufacturer's machinery and equipment sales and use tax exemption has, in some cases, been difficult and confusing for taxpayers.

Clarifies the original intent of the exemption and its application by explicitly and clearly defining those items of machinery and equipment that are exempt from tax.

Clarifies the definition of "manufacturing" by defining those logging, rock crushing, and testing activities that are exempt and clarifies the definition of "used directly" by clearly stating that, in order to qualify for the exemption, the machinery and equipment must be used so that the major benefit is for exempt purposes.