

Higher Education

HB 1236

Brief Description: *Providing a sales and use tax exemption on college textbooks.*

Sponsors: *Representatives Keiser, Cox, Kenney, Cairnes, Conway, Skinner, McIntire, D. Schmidt, Haigh and Van Luven.*

Brief Summary of Bill

- *Allows students to request a reimbursement from the Department of Revenue on the retail sales taxes paid for college textbooks, under certain conditions.*

Hearing Date: *2/5/01*

Staff: *Marsha Reilly (786-7135).*

Background:

Washington imposes a sales tax on retail sales of most items and some services purchased by consumers. The combined state and local retail sales tax rates range from 7.0 percent to 8.6 percent at present. The purchaser pays the combined state and local retail sales tax to the retailer, who forwards it to the Department of Revenue.

There are numerous exemptions from retail sales taxes. Exemptions include most grocery store food items, prescription drugs, personal services, such as medical, dental, and legal services, and many other items.

Summary of Bill:

An exemption from the retail sales tax is added for college textbooks. A person requesting a remittance must pay the tax and then apply to the Department of Revenue for a remittal.

The exemption applies if:

- *the textbook was required by an instructor at an accredited college or university;*

- *the student received a C grade (for graded courses) or a passing grade (ungraded);*
- *the retail sales tax was paid on the textbook; and*
- *information required by the Department of Revenue is provided.*

Effective Date: *The bill takes effect on October 1, 2001.*

Appropriation: *None.*

Fiscal Note: *Requested on February 1, 2001.*