

***Technology, Telecommunications
& Energy Committee***

HB 1441

Brief Description: *Providing sales and use tax exemptions for energy efficient lights and household appliances.*

Sponsors: *Representatives Ruderman, Crouse, Poulsen, Linville, Kagi, Kenney, Keiser, Roach, Bush, Lambert, Berkey, Miloscia, Simpson, Esser, Wood, Rockefeller and Kessler; by request of Governor Locke.*

Brief Summary of Bill

- *Eliminates the application of sales and use taxes to the purchase of lights, clothes washers, and dishwashers that meet or exceed energy efficiency recommendations of the Energy Star program for items purchased before July 1, 2003.*

Hearing Date: *2/2/01*

Staff: *Pam Madson (786-7166).*

Background:

Appliances or products that meet the recommendations for energy efficiency made by the Energy Star program qualify to use the Energy Star label. The Energy Star program is a voluntary partnership between the U.S. Department of Energy, the U.S. Environmental Protection Agency, product manufacturers, local utilities, and retailers that encourages the creation and use of energy efficient products and technologies.

The retail sales tax applies to the selling price of tangible personal property and of certain services purchased at retail. The tax base includes goods and certain services purchased at retail. The tax is levied at a 6.5 percent rate by the state. Cities and counties may levy a local tax at a rate up to a maximum of 3.1 percent; currently, local rates levied range from 0.5 percent to 2.3 percent. Sales tax is paid by the purchaser and collected by the seller. State sales tax revenue is deposited into the state general fund.

The use tax is imposed on items used in the state which were not subject to the retail sales

tax, and includes purchases made in other states and purchases from sellers who do not collect Washington sales tax. The state and local rates are the same as those imposed under the retail sales tax. Use tax is paid directly to the Department of Revenue. State use tax revenue is deposited into the state general fund.

Summary of Bill:

Sales and use taxes do not apply to lighting, clothes washers, and dishwashers purchased after the effective date of this act but before July 1, 2003, that meet or exceed energy efficiency requirements under the Energy Star program.

Appropriation: None.

Fiscal Note: Available.

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