

FINAL BILL REPORT

SHB 2184

C 282 L 01

Synopsis as Enacted

Brief Description: Revising tax treatment of park model trailers.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Berkey, DeBolt, Morris, Dunshee and Edwards).

House Committee on Finance
Senate Committee on Ways & Means

Background:

The real estate excise tax (REET) is imposed on each sale of real property. The state tax rate is 1.28 percent of the selling price. Additional local rates are allowed. The most common total tax rates are 1.53 percent and 1.78 percent. The tax is applied when a sale occurs. A sale is defined as any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property. The seller of real estate pays REET, except the 1 percent county conservation rate which is paid by the buyer.

Real estate excise tax applies to the sale of used mobile or manufactured homes which are fixed in location on which sales or use tax was previously paid. Retail sales or use tax does not apply.

A park model trailer is a travel trailer designed to be used with temporary connections to utilities necessary for operation of installed fixtures and appliances. A park model trailer's gross area is less than 400 square feet. The retail sales or use tax applies to the sale of both new and used park model trailers.

Summary:

The sales of used park model trailers which are fixed in location are made subject to the real estate excise tax rather than the sales and use tax.

Votes on Final Passage:

House 95 0
Senate 44 0 (Senate amended)
House 89 0 (House concurred)

Effective: August 1, 2001

