

# SENATE BILL REPORT

## 2SHB 1531

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As Reported By Senate Committee On:  
Ways & Means, March 4, 2002

**Title:** An act relating to the taxation of lodging.

**Brief Description:** Modifying the taxation of lodging.

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Morris and Cairnes).

**Brief History:**

**Committee Activity:** Ways & Means: 2/26/02, 3/4/02 [DP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Brown, Chair; Regala, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kohl-Welles, Parlette, Rasmussen, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

**Staff:** Chelsea Buchanan (786-7446)

**Background:** State and local sales taxes apply to lodging rentals by hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. In addition, some cities and counties place hotel/motel taxes on lodging rentals.

Lodging rentals are subject to sales and hotel/motel taxes when the period of occupancy is less than 30 days. When the period of occupancy is 30 days or more, the transaction is considered a rental or lease of real property and is exempt from all sales and hotel/motel taxes. In order to qualify for the exemption, the use of the same room or block of rooms must occur on a continuous basis for one month or longer.

**Summary of Bill:** The furnishing of lodging and all other services for a continuous period of one month or more constitutes a rental or lease of real property and is exempt from sales and hotel/motel taxes. Continuous occupancy of the same room or block of rooms by the same person is no longer required.

The act is retroactive to September 1, 2001.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill is simply common sense. Requiring the use of the same block of rooms does not allow for security for airline personnel and does not accommodate personal needs, such as the need for non-smoking rooms.

**Testimony Against:** None.

**Testified:** PRO: Becky Bogard, Washington State Hotel and Lodging Assoc.; Linda Hull, Alaskan Airlines.