

# FINAL BILL REPORT

## SSB 5496

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Synopsis as Enacted

**Brief Description:** Modifying taxes on animal health products.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Rasmussen, Swecker and Honeyford).

**Senate Committee on Agriculture & International Trade**  
**Senate Committee on Ways & Means**

**Background:** The sales tax is paid on each retail sale of most articles of tangible personal property and certain services. The use tax is imposed on the use of articles of tangible personal property when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state firms.

Sales of feed, seed, fertilizer, pollination agents, and chemical sprays to farmers are exempt from sales and use taxes. Animal pharmaceuticals are subject to retail sales and use taxes, even if purchased by farmers.

**Summary:** Sales to farmers or to veterinarians of animal pharmaceuticals approved by the United States Department of Agriculture or by the United States Food and Drug Administration are exempt from sales tax if the pharmaceutical is to be administered to an animal that is raised by a farmer for the purpose of producing for sale an agricultural product.

**Votes on Final Passage:**

Second Special Session

Senate	43	4
House	83	0

**Effective:** August 1, 2001