

# HOUSE BILL REPORT

## SSB 5157

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**As Reported By House Committee On:**  
Finance

**Title:** An act relating to sales and use tax exemptions for victims of inclement weather that led to a declaration of a disaster area.

**Brief Description:** Providing tax exemptions for items obtained to replace weather-damaged items.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Stevens and Kohl).

**Brief History:**

**Committee Activity:**

Finance: 3/25/97, 4/7/97 [DPA].

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass as amended. Signed by 12 members: Representatives Carrell, Vice Chairman; Dickerson, Assistant Ranking Minority Member; Boldt; Butler; Conway; Kastama; Mason; Morris; Pennington; Schoesler; Thompson and Van Luven.

**Minority Report:** Do not pass. Signed by 3 members: Representatives B. Thomas, Chairman; Mulliken, Vice Chairman; and Dunshee, Ranking Minority Member.

**Staff:** Linda Brooks (786-7153).

**Background:** A sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. The total tax rate is between 7 percent and 8.6 percent, depending on the location.

Sales tax applies when items are purchased at retail in the state. Sales tax is paid by the purchaser and collected by the seller. Use tax is imposed on the use of an item in the state, when the acquisition of the item has not been subject to sales tax. Use tax applies to items purchased from sellers who do not collect sales tax, items acquired from out-of-state, and items produced by the person using the item. Use tax is equal to the sales tax rate multiplied by the value of the property used. Use tax is paid directly to the Department of Revenue.

No sales or use tax exemptions exist for purchases of tangible personal property, labor, and/or services to repair or replace homes, businesses, or automobiles damaged by disasters.

Several severe storms hit Washington between November 1, 1995, and June 30, 1997. During this time period, federal disaster declarations were issued for various counties and Indian nations as the result of the following storms: