
Finance Committee

HB 1501

Brief Description: Exempting certain mailers from use tax.

Sponsors: Representative Miloscia.

Brief Summary of Bill

- Exempts certain mailers from use tax, when the mailers are printed outside the state.

Hearing Date: 2/18/03

Staff: Bob Longman (786-7139).

Background:

Retail sales tax is imposed on the retail sale of most tangible personal property and some services. Use tax is imposed on the use of an item in this 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. If the seller does not collect the tax at the time of sale, use tax is paid directly to the Department of Revenue by the person using the item.

Use tax is due on direct mail advertising printed out of state and mailed directly to Washington residents to promote the sale of goods or services. Before the enactment of SB 6835 in 2002, use tax was not applied to direct mail advertising.

Summary of Bill:

Use tax does not apply to mail consisting solely of unbound sheets of paper, the primary purpose of which is to promote the sale of products or services for multiple businesses that are unrelated to the person creating the mailer, which is printed outside the state for the person and mailed directly to Washington residents.

Appropriation: None.

Fiscal Note: Requested on February 4, 2003.

Effective Date: The bill takes effect on August 1, 2003.