

FINAL BILL REPORT

SSB 5072

C 211 L 13

Synopsis as Enacted

Brief Description: Concerning a sales and use tax exemption for disabled veterans and members of the armed forces for certain equipment and services that assist physically challenged persons to safely operate a motor vehicle.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Delvin, Hobbs, Baumgartner, Becker, Carrell, Roach, Schoesler, Holmquist Newbry, Hatfield, Hewitt, Shin, Keiser and Rolfes).

Senate Committee on Ways & Means
House Committee on Community Development, Housing & Tribal Affairs
House Committee on Finance

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the property, digital products, or services were acquired by the user, then use taxes apply to the value of most tangible personal property, digital products, and some services when used in this state. The state sales and use tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 3.0 percent, depending on the location.

The United States Department of Veteran's Affairs (VA) has a program that provides automobile adaptive equipment and training necessary for disabled veterans or active servicepersons with certain injuries to enter, exit, and operate a motor vehicle. The program pays for equipment and training by way of grants. The VA is required to pay the benefit to the seller of the vehicle and cannot make payment to the veteran or serviceperson. The adaptive equipment that is installed on a vehicle is subject to the sales and use tax.

Summary: A sales and use tax exemption is provided for prescribed add-on automotive adaptive equipment, including charges for labor and services in respect to installation and repair of such equipment. The exemption only applies if the eligible purchaser is reimbursed in whole or part for the purchase by the federal government.

The eligible purchaser must be a veteran, or member of the armed forces serving on active duty, who is disabled, regardless of whether the disability is service connected as defined by federal statute.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Add-on automotive adaptive equipment is equipment installed in, and modifications made to, a motor vehicle, that are necessary to assist physically challenged persons to enter, exit, or safely operate a motor vehicle.

Votes on Final Passage:

Senate	47	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: August 1, 2013.