

# SENATE BILL REPORT

## SB 6306

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As of January 29, 2014

**Title:** An act relating to exempting certain fire districts from use tax on vehicle purchases.

**Brief Description:** Exempting certain fire districts from use tax on vehicle purchases.

**Sponsors:** Senators Braun, Bailey, Tom and Parlette.

**Brief History:**

**Committee Activity:** Governmental Operations: 1/30/14.

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Staff:** Sam Thompson (786-7413)

**Background:** Washington imposes a sales tax on in-state sales, and a use tax that is generally imposed on out-of-state sales to Washington residents. Several exemptions apply. Government entities are generally not exempt from paying Washington sales and use taxes.

Fire protection districts (districts) are local government entities that provide fire prevention, fire suppression, and emergency medical services. There are over 350 active districts in the state. Districts may impose a property tax and benefit charges. When purchasing vehicles, districts must pay sales or use tax.

**Summary of Bill:** Districts having an annual budget receiving less than \$1,000 per square mile served are exempt from paying use tax when purchasing vehicles. The county assessor of the district's county must certify that a district meets the criteria for the exemption at the time a vehicle is registered. The Department of Revenue must annually adjust the \$1,000 threshold with reference to a federally calculated consumer price index, and notify counties of the new dollar threshold by December 31 each year for the following calendar year.

**Appropriation:** None.

**Fiscal Note:** Requested on January 28, 2014.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

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