
Finance Committee

HB 1577

Brief Description: Extending the sales and use tax deferral for historic automobile museums.

Sponsors: Representatives Fey, Jinkins, Kirby, Stambaugh, Springer, Orcutt, Sawyer, Muri, Barkis, Wilcox, McDonald, Stokesbary, Caldier, Irwin, Young and Condotta.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Extends the sales and use tax deferral for a historic automobile museum an additional five years.• Adds a tax preference performance statement and requires a Joint Legislative Audit and Review Committee evaluation.

Hearing Date: 1/31/17

Staff: Tracey O'Brien (786-7152).

Background:

Washington residents Harold and Nancy LeMays assembled the largest privately owned collection of automobiles, other vehicles and memorabilia in the world. America's Car Museum (ACM) was founded to house some of this collection in 1997. The ACM, a nonprofit 501(c)(3) organization, is located in Tacoma. The campus includes a 165,000 square foot museum and a 3.5 acre show field. The mission of the ACM is "to preserve and interpret the history and technology of the automobile and its influence on American culture." Opening in 2012, the ACM displays not only a portion of the LeMays' collection, but it also "acquires, preserves and interprets addition vehicles and artifacts which enable it to promote America's automotive heritage".

In 2005 the Legislature authorized a sales and use tax deferral in order to help historic automobile museums defray some of the construction related costs. The ACM utilized this deferral program. The ACM must begin repaying the deferred taxes in the fifth year after the Department of Revenue certifies it as operationally complete.

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.

Summary of Bill:

The sales and use tax deferral payments are delayed an additional 5 years, coming due in the tenth year following operational completion.

A tax preference performance statement cites the public policy objective of this tax preference as increasing the fiscal stability of historic automobile museums in Washington and strengthening the economic vitality of the communities where these museums are located. The Joint Legislative Audit and Review Committee must evaluate this tax preference.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.