
**Technology & Economic Development
Committee**

HB 2749

Brief Description: Allowing a local sales and use tax as a credit against the state sales tax for rural high-speed internet infrastructure without increasing the total sales and use tax rate.

Sponsors: Representatives Orcutt, Chapman, Nealey, Tarleton, Eslick, Morris, Muri, Gregerson, Doglio, Smith, Wilcox, Griffey, Slatter, Young and McDonald.

Brief Summary of Bill

- Allows rural counties to impose an additional sales and use tax as a credit against the state sales tax for development of high-speed internet infrastructure in unserved areas.

Hearing Date: 1/23/18

Staff: Lily Smith (786-7175).

Background:

Rural counties may impose a sales and use tax, credited against the state, of up to 0.09 percent for the purpose of financing public facilities. Eligible public facilities include, but are not limited to, roads, water and sewage facilities, telecommunications infrastructure, and port facilities.

Rural counties are counties with a population density of less than 100 persons per square mile or that are smaller than 225 square miles.

Summary of Bill:

Rural counties may impose an additional sales and use tax of 0.05 percent as a credit against the state sales tax. The additional funds are to be used exclusively for the development of

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infrastructure to bring high-speed internet to unserved regions. The funds may not be used for government operation or the provision of retail broadband service by public entities.

Appropriation: None.

Fiscal Note: Available.

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