
Finance Committee

HB 1058

Brief Description: Modifying the sales and use tax for cultural access programs by allowing the tax to be imposed by a councilmanic or commission authority and defining timelines and priorities for action.

Sponsors: Representatives Bateman, Ryu, Wylie, Tharinger, Goodman, Senn, Fitzgibbon, Pollet, Macri, Johnson, J. and Bergquist.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes jurisdictions to impose the local sales and use tax for cultural access programs by councilmanic authority.• Prohibits a county and a city within that county from imposing the local sales and use tax for cultural access programs concurrently.

Hearing Date: 1/21/21

Staff: Nick Tucker (786-7383).

Background:

Retail Sales and Use Tax.

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 user acquired the property, digital products, or services, then use tax applies to the value of property, digital product, or service when used in this state. The state, all counties, and all cities levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.9 percent, depending on the location.

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

Cultural Access Programs.

Counties and cities are authorized to establish a cultural access program (CAP) that allocates funds to cultural organizations providing programming or experiences to the general public. The funding must be used for a public benefit that generally relates to increasing access, outreach, and opportunities. The primary purpose of a qualifying cultural organization must be the advancement and preservation of: science or technology; the visual or performing arts; zoology; botany; anthropology; heritage; or natural history. Funding for the CAP is raised through a sales and use tax or a property tax (counties with a population over 1.5 million cannot use property tax).

Local Sales and Use Tax for Cultural Access Programs.

Counties and cities are authorized to impose, by voter approval, a local sales and use tax of up to 0.1 percent to be used for the funding of a CAP (CAP Tax). A CAP Tax may be levied for up to seven consecutive years and may be reimposed for one or more additional seven-year periods, with voter approval.

Summary of Bill:

Counties and cities are authorized to impose a CAP Tax by councilmanic authority.

A county and a city within that county are prohibited from imposing a CAP Tax concurrently.

A city that is not currently imposing a CAP Tax may not impose the tax until after December 31, 2021. Beginning January 1, 2022, a city may impose a CAP Tax if the county within which that city is located has not imposed a CAP Tax prior to December 31, 2021.

The provisions of the bill apply prospectively only.

Appropriation: None.

Fiscal Note: Available.

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