
Finance Committee

HB 1307

Brief Description: Easing the financial burden on families by removing sales and use tax on diapers and essential child care products.

Sponsors: Representatives Caldier, McClintock, Graham, Connors, Manjarrez, Barnard, Jacobsen, Dye, Schmidt, Eslick, Mendoza, Rude, Shavers, Couture, Waters, Klicker, Griffey, Orcutt, Nance and Barkis.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Creates a sales and use tax exemption for diapers and essential child care products.
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Hearing Date: 2/7/25

Staff: Kristina King (786-7190).

Background:

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 are not collected when the user acquires 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 4.1 percent, depending on the location.

Tax Preference Performance Statement.

Tax preferences confer reduced tax liability upon a designated class of taxpayers. These include

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tax exclusions, deductions, exemptions, preferential tax rates, deferrals, and credits. There are over 700 tax preferences, including a variety of sales and use tax exemptions. Legislation that establishes or expands a tax preference must include a Tax Preference Performance Statement (TPPS) that identifies the public policy objective of the preference, as well as specific metrics that the Joint Legislative Audit and Review Committee (JLARC) can use to evaluate the effectiveness of the preference. All new tax preferences automatically expire after 10 years unless an alternative expiration date is provided.

Summary of Bill:

Beginning January 1, 2026, a sales and use tax exemption is created for sales of child and adult diapers and essential child care products. Essential child care products are products specifically designed for the use by or care of infants and children under the age of five and include:

- baby cribs, including baby playpens and baby play yards;
- baby exercisers, jumpers, bouncer seats, and swings;
- baby safety gates;
- baby monitors;
- baby strollers;
- baby wipes;
- bicycle child carrier seats and trailers designed for carrying young children, including adaptors and accessories for the seats and trailers;
- breast pumps, bottle sterilizers, baby bottles and nipples, pacifiers, and teething rings;
- car seats and booster seats;
- changing tables and changing pads;
- child safety cabinet locks and latches and electrical socket covers; and
- baby and toddler clothing and apparel size 5T and smaller and shoes size 13T and smaller.

The Department of Revenue is required to adopt rules necessary to implement the exemption, including electronically publishing a publicly available list of qualifying products.

An exemption from a TPPS, JLARC review, and the 10-year expiration is included.

Appropriation: None.

Fiscal Note: Available.

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