

FINAL BILL REPORT

HB 1157

C 63 L 95
Synopsis as Enacted

Brief Description: Modifying sales and use tax exemptions regarding motor vehicles and trailers used for transporting persons or property for hire.

Sponsors: Representatives Van Luven and Sheldon; by request of Department of Revenue.

House Committee on Trade & Economic Development
House Committee on Finance
Senate Committee on Ways & Means

Background: Under current law, interstate or foreign commerce carriers qualify for a retail sales and use tax exemption on motor vehicles or trailers purchased or leased in Washington. In order to qualify for the exemption the carrier must document, to the Department of Revenue, that the first use of the equipment is for an interstate or foreign haul and that the equipment will be used 25 percent of the time to transport people or property.

The state requires interstate and foreign commerce carriers to obtain both an Interstate Commerce Commission permit and a one-transit permit from the Department of Licensing. The retail sales and use tax is imposed on the purchase if the carrier fails to acquire a one-transit permit prior to moving the vehicle out-of-state over state roads.

Summary: The Department of Revenue's requirement that interstate and foreign commerce carriers obtain a one-transit permit or have the first use be an interstate or foreign haul in order to receive the retail sales and use tax exemption on motor vehicles or trailers purchased or leased in Washington is removed.

Votes on Final Passage:

House	98 0
Senate	47 0

Effective: July 1, 1995