

SENATE BILL REPORT

HB 2861

As Reported By Senate Committee On:
Ways & Means, March 7, 1996

Title: An act relating to excise tax exemptions for academic transcripts.

Brief Description: Exempting sales of academic transcripts from B&O, sales, and use taxes.

Sponsors: Representatives Carlson, Mulliken, Jacobsen, Van Luven, Blanton, Benton, Scheurman, Basich, Goldsmith, Delvin and Quall.

Brief History:

Committee Activity: Ways & Means: 3/7/96 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Hochstatter, Johnson, Kohl, Long, McDonald, Moyer, Pelz, Quigley, Roach, Sheldon, Spanel, Strannigan, Winsley and Wojahn.

Staff: Terry Wilson (786-7433)

Background: The sales tax is imposed on each retail sale of most articles of tangible personal property and certain services. Sale is defined as the transfer of property for a valuable consideration. It also includes the imprinting of tangible personal property. The use tax is imposed on the use of articles of tangible personal property when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state firms.

Because the sales tax applies to the transfer of property for consideration and also to the imprinting tangible personal property, the sales tax applies to the photocopying of documents, including academic transcripts.

The business & occupation tax (B&O) is levied for the privilege of doing business in Washington. The tax is levied on the gross receipts of all business activities conducted within the state without deductions for the costs of doing business. The B&O tax does not apply to the state. It does apply to utility and enterprise activities of political subdivisions of the state.

Summary of Bill: The sale and use of academic transcripts is exempt from the business and occupation tax and the sales and use tax.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 1996.