

SENATE BILL REPORT

SB 6777

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

Title: An act relating to a property tax credit for residential property.

Brief Description: Providing a credit against property taxes on residential property.

Sponsors: Senators Sutherland and Swecker.

Brief History:

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

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6777 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Bauer, Cantu, Finkbeiner, Fraser, Hargrove, Hochstatter, Johnson, Long, McDonald, Moyer, Quigley, Roach, Sheldon, Strannigan, Sutherland, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7433)

Background: The Constitution limits the amount of property taxes that may be imposed on an individual parcel of property without voter approval to 1 percent of its true and fair value, or \$10 per \$1,000 of assessed value. Of this, the state levy is limited to \$3.60 per \$1,000 of assessed value, equalized to market value, for the support of the common schools.

Summary of Substitute Bill: A credit against state regular property taxes on the first \$21,750 of value for residential property not primarily used for commercial purposes is authorized. Tax rates are unaffected. Therefore, taxes do not shift to business or other residential property.

Does not take effect unless: (1) approved by voters in November 1996, and (2) authorizing constitutional amendment is approved by voters in November 1996.

The bill is effective for taxes payable in 1998 and thereafter.

If approved by the voters, the 9.7187 percent tax cut under EHB 2841 as amended by the Ways & Means Committee is eliminated.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on February 21, 1996.

Effective Date: Thirty days after the election at which it is approved.