

SENATE BILL REPORT

SB 5383

As Passed Senate, March 17, 1997

Title: An act relating to the collection of sales tax on manufactured housing.

Brief Description: Facilitating the collection of sales tax on manufactured housing.

Sponsors: Senators Winsley and Prentice.

Brief History:

Committee Activity: Ways & Means: 2/20/97, 2/27/97 [DP].
Passed Senate, 3/17/97, 47-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Kohl, Long, Loveland, McDonald, Rossi, Schow, Snyder, Spanel, Swecker, Thibaudeau, Winsley and Zarelli.

Staff: David Schumacher (786-7474)

Background: The sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. These range from 0.5 percent to 1.7 percent depending upon the location of the sale. The total rate is between 7.0 percent and 8.2 percent.

Use tax is imposed on the use of an item in this state when the acquisition of the item has not been subject to sales tax. Use tax applies to items purchased from sellers who do not collect sales tax, items acquired from out of state, and items produced by the person using the item. Use tax is equal to the sales tax rate multiplied by the value of the property used.

In 1987, the Department of Revenue was given the authority to designate county auditors as its collecting agent for the sales tax on mobile homes. Typically, the sales tax is collected by the Department of Licensing agents at the time of the title transfer.

Summary of Bill: The collection of the sales tax is returned to the Department of Revenue as reported on the state tax return received from the selling dealer.

The sales and use on the private sales of mobile homes is continued to be collected by the Department of Licensing agent at the time of transfer.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1997.

Testimony For: The current system of collecting sales tax on manufactured homes is administratively complex and complicated. This bill is a return to a simple and fair system.

Testimony Against: None.

Testified: PRO: Mike Ryland, Bob Schoos, Washington Manufactured Housing Assn.