

FINAL BILL REPORT

SHB 1248

C 352 L 95

Synopsis as Enacted

Brief Description: Providing tax deferrals for a new thoroughbred race track facility.

Sponsors: House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven, G. Fisher, Boldt, Carrell, Campbell, Mason, Ebersole, B. Thomas, Cairnes, Radcliff, Cooke, Chandler, Mielke, Ballasiotes, Robertson, Mitchell, Schoesler, Appelwick, Sheldon, Costa, Morris, Basich and Conway).

House Committee on Trade & Economic Development
Senate Committee on Labor & Commerce
Senate Committee on Ways & Means

Background: The state retail sales tax is imposed on sales of most articles of tangible personal property, construction including labor, repair of tangible personal property, and certain services. The state use tax applies to items used in this state, the acquisition of which was not subject to the retail sales tax, including purchases in other states, purchases from sellers who do not collect Washington sales tax and items produced for use by the producer. The retail sales and use taxes are equal and are based on the value of the property or service. These taxes are imposed by both the state (6.5 percent) and the local government (up to 1.7 percent).

Summary: A retail sales and use tax deferral is created for "a new thoroughbred race track facility." The tax deferral applies to all materials, equipment, and labor used to construct or equip the facility. The retail sales and use taxes are deferred, interest free, for a 5-year period. The deferred taxes are required to be repaid over a 10-year period.

"A new thoroughbred race track facility" is defined as a site for thoroughbred racing located west of the Cascade mountains on which construction is started by July 1, 1998.

The Department of Revenue must adopt rules for the administration of the thoroughbred race track tax deferral.

Votes on Final Passage:

House	92	2	
Senate	44	3	(Senate amended)
House			(House refused to concur)
Senate	43	2	(Senate amended)
House	94	2	(House concurred)

Effective: May 16, 1995