

SENATE BILL REPORT

SHB 2447

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

Title: An act relating to business and occupation tax exemptions for wholesale transactions involving motor vehicles at auctions.

Brief Description: Providing business and occupation tax exemptions for auctions and wholesale transactions involving motor vehicles.

Sponsors: House Committee on Finance (originally sponsored by Representatives Robertson, Cairnes, L. Thomas, Silver, Mulliken and Carrell).

Brief History:

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

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

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

Staff: Terry Wilson (786-7433)

Background: Washington's major business tax is the business and occupation (B&O) tax. Although there are several different rates, the rate on manufacturing, wholesaling, and extracting is 0.506 percent.

The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. Out-of-state companies that bring goods into Washington and sell these goods in Washington are subject to the B&O tax.

Summary of Bill: A B&O tax exemption is provided for wholesalers of automobiles on sales of automobiles at auctions to dealers licensed in this or another state.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: None.

Testimony Against: None.

Testified: No one.