

SENATE BILL REPORT

SHB 2635

AS REPORTED BY COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES,
FEBRUARY 24, 1992

Brief Description: Revising the model litter control and recycling act.

SPONSORS: House Committee on Revenue (originally sponsored by Representatives Rust, Horn, Valle, Heavey, Winsley and Brekke)

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES

Majority Report: Do pass as amended.

Signed by Senators Metcalf, Chairman; Oke, Vice Chairman; Amondson, Barr, Conner, Owen, Snyder, and Sumner.

Staff: Gary Wilburn (786-7453)

Hearing Dates: February 20, 1992; February 24, 1992

BACKGROUND:

The state imposes an annual tax on the value of certain products manufactured and sold within the state. The tax is collected by the Department of Revenue (DOR) and applies in the same manner as the state business and occupation tax to specified categories of products. The rate of 0.015 percent is imposed on the manufacture, wholesale, and retail of:

- 1) Food for human or pet consumption;
- 2) Groceries
- 3) Cigarettes and tobacco products;
- 4) Soft drinks and carbonated waters;
- 5) Beer and malt beverages;
- 6) Wine;
- 7) Newspapers and magazines;
- 8) Household paper and paper products;
- 9) Glass containers;
- 10) Metal containers;
- 11) Plastic or fiber containers;
- 12) Cleaning agents and toiletries; and
- 13) Drugstores' sundry products excluding drugs.

Proceeds from the tax are deposited in the litter control account and are used for youth litter patrol programs, public education, administration of the Model Litter Control and Recycling Act, and recycling.

SUMMARY:

For fiscal year 1993, proceeds from the litter tax may be used to control litter, encourage recycling, enforce compliance with the litter tax, and for market development. After fiscal year 1993, youth litter control programs are guaranteed the same percentage of revenues as current law. Remaining revenues may be used for recycling, encouraging compliance with the litter tax, market development for recycling, and purposes specified in current law.

Instead of requiring businesses to separately account for taxable and nontaxable products, DOR may establish rules allowing businesses to pay the tax based on the ratio of the taxable activity to total sales. Technical changes are made to the tax provisions.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: July 1, 1992

SUMMARY OF PROPOSED SENATE AMENDMENT:

It is clarified that the Clean Washington Center has the primary state role in promoting markets for recyclable materials.

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one