

# HOUSE BILL REPORT

## SB 5251

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As Passed House  
April 17, 1993

**Title:** An act relating to the nonresident sales tax exemption.

**Brief Description:** Requiring identification for the nonresident sales tax exemption.

**Sponsors:** Senators Bauer, Snyder, Sheldon, Moore, Prentice, Sutherland, Jesernig, Rinehart and Winsley.

**Brief History:**

Reported by House Committee on:  
Revenue, March 26, 1993, DP;  
Passed House - Amended, April 17, 1993, 96-0.

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### HOUSE COMMITTEE ON REVENUE

**Majority Report:** Do pass. Signed by 13 members:  
Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman,  
Ranking Minority Member; Brown; Cothorn; Morris; Romero;  
Rust; Silver; Talcott; Thibaudeau; Van Luven; and Wang.

**Staff:** Rick Peterson (786-7150).

**Background:** Residents of a state, possession, or Canadian province that does not impose a sales tax of 3 percent or more are exempt from Washington sales tax on purchases in this state of tangible personal property for use outside this state. The exemption does not apply to meals, hotels, and services that are consumed in this state.

Proof of nonresident status consists of two pieces of identification, one of which must be an out-of-state driver's license or an identification card which has a photograph of the nonresident. The identification must show the nonresident's address and have as one of its purposes the establishment of residency in the out-of-state jurisdiction.

Currently, residents of Alaska, Delaware, Montana, New Hampshire, Oregon, American Samoa, Guam, North Mariana Islands, Puerto Rico, Yukon, Virgin Islands, and the Canadian province of Alberta qualify for exemption under this statute.

**Summary of Bill:** Acceptable proof of nonresident status is limited to one piece of identification such as a driver's license.

Eligibility for the non-resident sales tax exemption is limited to residents of states and Canadian provinces that are contiguous to Washington.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Retailers have problems with the dual identification requirements. Retailers get assessed taxes and penalties because they fail to verify the second identification. This bill does not change the objective. This exemption levels the playing field and is tourist friendly. The state will collect business and occupation taxes on sales that would not otherwise be made.

**Testimony Against:** None.

**Witnesses:** Ryan Spiller, Department of Revenue; and Tom G. Huff, Washington Retail Association (both in favor).