

# HOUSE BILL REPORT

## SSB 5368

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As Passed House  
April 6, 1993

**Title:** An act relating to a sales tax exemption for Washington boats sold to residents of foreign countries.

**Brief Description:** Creating a sales tax exemption for certain vessels.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Owen, Sutherland, McDonald, Bauer, Nelson, Anderson and Erwin).

**Brief History:**

Reported by House Committee on:  
Revenue, March 26, 1993, DP;  
Passed House, April 6, 1993, 92-2.

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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:** Sales of watercraft to nonresidents of this state for use outside the state are exempt from sales and use taxes if Coast Guard or state registration is required by the state of principal use, the watercraft is not used in this state for more than 45 days, and the nonresident provides an exemption certificate issued by the Department of Revenue.

**Summary of Bill:** Sales of vessels to residents of foreign countries for use outside the state are exempt from sales and use taxes if the vessel is not used in this state for more than 45 days and the nonresident provides an exemption certificate issued by the Department of Revenue.

"Vessel" is defined as watercraft capable of being used as transportation on the water, other than a seaplane.

**Fiscal Note:** Available.

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

**Testimony For:** Because Canada is treated differently than other states, we lose sales to Canadians. There is no reason not to exempt sales to residents of Canada when sales to residents of Oregon are exempt. This levels the playing field. The state would collect business and occupation tax on sales that would otherwise be lost.

**Testimony Against:** None.

**Witnesses:** Jack Swanberg, Northwest Marine Trade Association; Jerry Rehberger, Hawly's Boats and Motors; and G. Wooldridge, Wooldridge Boats, Inc. (all in favor).