

FINAL BILL REPORT

SHB 2424

PARTIAL VETO

C 228 L 94

Brief Description: Removing "massage services" from the definition of retail sale.

By House Committee on Revenue (originally sponsored by Representatives Anderson, J. Kohl, Ballard, Dellwo, King, Dyer, Grant, Brough, Dorn, Lemmon, Quall, B. Thomas, Campbell, Sehlin, Wolfe, Morris, Roland, Wood, Carlson, Silver, Orr, Sheahan, Dunshee, Cothorn, Veloria, Mastin, Heavey, Long, Edmondson, Cooke, Schoesler, Kessler, Romero, Thibaudeau, Conway, Jones, Tate, Mielke, Springer and McMorris).

House Committee on Revenue

Senate Committee on Ways & Means

Background: The state retail sales tax applies to the sale to consumers of most goods and many services. In 1993, the Legislature added several categories of services to the sales tax, including massage services.

Massage services, along with tanning salon services, tattoo parlor services, steam bath services, turkish bath services, escort services, and dating services, are coded in the federal industrial classification manual as miscellaneous personal services. This classification system is used to organize a wide range of economic data by federal and state agencies. The Department of Revenue uses this system to organize tax data by industry.

Summary: The industrial classification code used for licensed massage practitioners is changed from "miscellaneous personal services" to "offices and clinics of health practitioners." The Department of Revenue is directed to study the effect of recategorizing massage practitioners as health practitioners and adjusting tax data categories accordingly.

Votes on Final Passage:

House	94	0
Senate	43	4

Effective: July 1, 1994

Partial Veto Summary: The veto removes the section that directed the Department of Revenue to study the effect of recategorizing massage practitioners.