

SENATE BILL REPORT

SSB 5368

AS PASSED SENATE, MARCH 15, 1993

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)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5368 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Anderson, Bauer, Bluechel, Cantu, Gaspard, Hochstatter, McDonald, Moyer, Owen, Pelz, Quigley, Roach, Sutherland, West, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: February 10, 1993; March 1, 1993

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:

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.

Appropriation: none

Revenue: none

Fiscal Note: available

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

TESTIFIED: Senator Owen, prime sponsor (pro); Jack Swanberg, Northwest Marine Trade Association (pro); Gail Davis, Nordic Tugs Inc. (pro); Mary Lou Rafelb, Admiralty Yacht Sales (pro)