

# HOUSE BILL REPORT

## HB 1485

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**As Reported By House Committee On:**  
Finance

**Title:** An act relating to sales and use tax exemption for volunteer fire departments.

**Brief Description:** Exempting from sales and use tax sales to volunteer fire departments.

**Sponsors:** Representatives Morris, Pennington, Brumsickle, Robertson, Campbell, Mastin, Schoesler, Basich, Chandler, Sheldon, Kremen, Thompson, Costa, McMahan and Quall.

**Brief History:**

**Committee Activity:**

Finance: 2/15/95, 2/21/95 [DP].

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 11 members: Representatives B. Thomas, Chairman; Boldt, Vice Chairman; Carrell, Vice Chairman; Morris, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Hymes; Mason; Mulliken; Pennington; Schoesler and Sheldon.

**Minority Report:** Do not pass. Signed by 1 member: Representative Van Luven.

**Staff:** Bob Longman (786-7139).

**Background:** The retail sales tax is imposed on sales of most articles of tangible personal property and some services. The sales tax is paid by the purchaser and collected by the seller. The state sales tax rate is 6.5 percent of the selling price. Local governments may levy additional sales taxes. The total state and local rate varies from 7 percent to 8.2 percent, depending on the location.

The use tax is imposed on the use of articles of tangible personal property when the sale of the property was not subject to sales tax. The use tax applies when property is acquired from out of state. It also applies when property is acquired from an in-state person who does not collect sales tax. Use tax is equal to the sales tax rate multiplied by the value of the property used.

**Summary of Bill:** A volunteer fire department that does not provide any remuneration or reimbursement to any commissioner, fire fighter, or staff is exempt from retail sales and use taxes for all of its acquisitions.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill has a very narrow scope and applies only to those fire districts which solely staffed by volunteers. These districts are supported by fundraisers like bake sales. Taxing the purchases of the volunteer fire department takes away from the amount of money these communities raise from very hard work.

**Testimony Against:** None.

**Testified:** Representative Betty Sue Morris, prime sponsor; and Otto Jensen, Washington Association of Fire Chiefs.