

# FINAL BILL REPORT

## HB 2861

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C 272 L 96

Synopsis as Enacted

**Brief Description:** Exempting sales of academic transcripts from B&O, sales, and use taxes.

**Sponsors:** Representatives Carlson, Mulliken, Jacobsen, Van Luven, Blanton, Benton, Scheuerman, Basich, Goldsmith, Delvin and Quall.

**House Committee on Finance**  
**Senate Committee on Ways & Means**

**Background:** Washington's major business tax is the business and occupation (B&O) tax. This tax is imposed on gross income from business activities conducted within the state. There are several different B&O tax rates.

The sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. Sales tax applies when items are purchased at retail in the state. Sales tax is paid by the purchaser and collected by the seller.

Use tax is imposed on the use of an item in this state, when the acquisition of the item has not been subject to sales tax. Use tax applies to items purchased from sellers who do not collect sales tax, items acquired from out of state, and items produced by the person using the item. Use tax is equal to the sales tax rate multiplied by the value of the property used.

**Summary:** The sale and use of academic transcripts is exempted from the business and occupation tax and the sales and use tax.

**Votes on Final Passage:**

House	96 0
Senate	49 0

**Effective:** July 1, 1996