

# HOUSE BILL REPORT

## SB 5559

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**As Passed House**

April 18, 1997

**Title:** An act relating to exempting unassisted self-service motor vehicle wash, wax, and vacuum services rendered through coin-operated devices from sales and use taxes.

**Brief Description:** Exempting coin-operated services of car washes from sales and use tax.

**Sponsors:** Senators Hale, West, Loveland and Anderson.

**Brief History:**

**Floor Activity:**

Passed House: 4/18/97, 54-42.

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**Background:** The sales tax is imposed on each retail sale of most articles of tangible personal property and certain services. Taxable services include construction, repair, telephone, lodging of less than 30 days, physical fitness, and some recreation and amusement services. The use tax is imposed on the use of articles of tangible personal property when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state firms.

**Summary of Bill:** A sales and use tax exemption is provided for self-service motor vehicle wash and wax facilities. The exemption includes the service of washing, waxing, and vacuuming a motor vehicle or other tangible personal property, if the purchaser or user of the service washes, waxes, or vacuums the person's motor vehicle or other tangible property at the facility, exclusively by means of automatic or manually operated coin-operated devices belonging to the vendor, without assistance from employees.

**Appropriation:** None.

**Fiscal Note:** Available.

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