

HB 2064

Bill Analysis

March 7, 1997

Brief Description: Permitting nonprofit public golf courses to pay leasehold excise tax based on actual rent payments.

Bill Sponsors: Representative Parlette.

Staff: Rick Peterson (786-7150)

Background: The leasehold excise tax is imposed on property used for private purposes that is also exempt from property taxation because the property is publicly owned. The tax is collected by public entities that lease property to private parties. The tax rate of 12.84 percent is imposed on the amount paid in rent for the public property.

If the rent for public property is not established through competitive bidding or where the lease has been in effect for more than 10 years without renegotiation, the Department of Revenue may establish a "market value" rent. The market value rent is based on rentals of similar properties for similar purposes and the calculation of a fair rate of return on the leased property's market value.

Summary of Bill: The leasehold tax for a public golf course leased by a nonprofit corporation is based on the amount of rent paid rather than a calculation of the market rent for the property.

Fiscal Note: Available

Effective Date: This bill takes effect October 1, 1997.

House of Representatives
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