

# FINAL BILL REPORT

## SB 5193

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C 438 L 97

Synopsis as Enacted

**Brief Description:** Revising sales and use tax exemptions for farmworker housing.

**Sponsors:** Senators Prentice, Newhouse, Sellar, Morton, Deccio, Rasmussen, Winsley and Hale; by request of Department of Revenue.

**Senate Committee on Agriculture & Environment**

**House Committee on Agriculture & Ecology**

**Background:** In 1996, the Legislature provided an exemption from sales and use tax for labor, services and materials used in the construction and maintenance of farmworker housing. Such housing must be used to house agricultural employees for at least five years from the date the housing is approved for occupancy. Housing built for family members and people with an ownership in the farm is not eligible for the tax exemption.

The current sales and use tax exemption is available only to housing provided by an employer.

**Summary:** The exemption from the sales and use tax is extended to agricultural employee housing provided by housing authorities, government agencies and nonprofit organizations.

If the farmworker housing not located on agricultural land ceases at any time in the future to be used for that purpose, the full amount of the sales and use tax becomes due and payable. For housing provided by a housing authority to be eligible for the exemption from sales and use tax, at least 80 percent of the occupants must be agricultural employees with incomes less than 50 percent of median family income.

**Votes on Final Passage:**

Senate	48	0	
House	91	3	(House amended)
Senate	47	1	(Senate concurred)

**Effective:** May 20, 1997