

FINAL BILL REPORT

SB 5383

C 139 L 97
Synopsis as Enacted

Brief Description: Facilitating the collection of sales tax on manufactured housing.

Sponsors: Senators Winsley and Prentice.

Senate Committee on Ways & Means
House Committee on Finance

Background: 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. In addition, local sales taxes apply. These range from 0.5 percent to 1.7 percent depending upon the location of the sale. The total rate is between 7.0 percent and 8.2 percent.

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.

In 1987, the Department of Revenue was given the authority to designate county auditors as its collecting agent for the sales tax on mobile homes. Typically, the sales tax is collected by the Department of Licensing agents at the time of the title transfer.

Summary: The collection of the sales tax is returned to the Department of Revenue as reported on the state tax return received from the selling dealer.

The sales and use on the private sales of mobile homes continues to be collected by the Department of Licensing agent at the time of transfer.

Votes on Final Passage:

Senate	47 0
House	98 0

Effective: July 1, 1997