

FINAL BILL REPORT

SB 5622

C 183 L 98

Synopsis as Enacted

Brief Description: Removing the expiration of tax exemptions for new construction of alternative housing for youth in crisis.

Sponsors: Senators Long, Strannigan and Winsley.

Senate Committee on Ways & Means

House Committee on Finance

Background: The retail sales tax is imposed on sales of most articles of tangible personal property and some services. The total state and local rate varies from 7 percent to 8.2 percent, depending on the location. The use tax is imposed on the use of articles of tangible personal property when the sale of the property was not subject to sales tax. The use tax generally applies when property is acquired from out of state. Use tax is equal to the sales tax rate multiplied by the value of the property used.

Nonprofit health or social welfare organizations are exempt from sales and use taxes on items necessary for new construction of alternative housing for youth in crisis. The facility must be licensed as an agency for the care of children, expectant mothers, or the developmentally disabled. A youth in crisis is a person under 18 who is homeless, a runaway, abused, neglected, abandoned, or is suffering from a substance abuse or mental disorder. This exemption expires July 1, 1999.

Summary: The expiration date is removed for the sales and use tax exemptions for items necessary for new construction of alternative housing for youth in crisis by nonprofit health or social welfare organizations.

Votes on Final Passage:

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| Senate | 48 | 0 | |
| House | 98 | 0 | (House amended) |
| Senate | 45 | 0 | (Senate concurred) |

Effective: June 11, 1998