

SENATE BILL REPORT

SB 6588

As Passed Senate, February 17, 1998

Title: An act relating to exempting movie theater snack counters from the special stadium sales and use tax imposed on restaurants.

Brief Description: Exempting movie theater snack counters from the stadium tax imposed on restaurants.

Sponsors: Senators Winsley, Snyder, Kohl, B. Sheldon and Oke.

Brief History:

Committee Activity: Ways & Means: 2/4/98, 2/5/98 [DP, DNP].
Passed Senate, 2/17/98, 47-1.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Fraser, Hochstatter, Kohl, Long, Loveland, Schow, B. Sheldon, Snyder, Spanel, Winsley and Zarelli.

Minority Report: Do not pass.

Signed by Senator Thibaudeau.

Staff: David Schumacher (786-7474)

Background: In 1995, the Legislature passed HB 2115 which provided state and local financing for a baseball stadium. The state contribution was a .017 percent sales tax credit, new lottery games, and new stadium license plates.

The baseball team contribution is in the amount of \$45 million which may be used for pre-construction costs as well as bond retirement.

King County imposed a special 0.5 percent sales and use tax on food and beverage sales in restaurants, taverns, and bars and a special 2 percent sales and use tax on car rentals. The county may impose admissions taxes on events in the baseball stadium.

The special sales tax on restaurants, taverns and bars does not include prepared food purchased at grocery stores, minimarkets or convenience stores.

Summary of Bill: Food purchased at movie theater snack counters is added to the list of locations that are exempt from the special restaurant tax.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: There is no reason to include food purchased at a movie snack counter in a tax on restaurants. It is an administrative burden to pay taxes differently in one county versus all the others.

Testimony Against: The taxes passed in support of the baseball stadium are for the repayment of the debt incurred. It sets a very poor precedent to begin removing revenues that were bonded against. Further attempts could weaken King County's bond rating.

Testified: PRO: Gordon Walgren, Motion Picture Exhibitors; Bruce Gardiner, Motion Picture Exhibitors; CON: Kit Hawkins, Restaurant Association; Norm Maleng, King County Prosecuting Attorney; Rob McKenna, King County Council.

House Amendment(s): The exemption is expanded to include snack counters located in theaters and centers for the performing arts.