

5157-S

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Stevens and Kohl)

Brief Title: Providing tax exemptions for items obtained to replace weather-damaged items.

**SB 5157-S - DIGEST**

(DIGEST AS PASSED LEGISLATURE)

Declares that the tax levied by RCW 82.08.020 shall not apply to sales of the following: (1) Labor and services rendered in respect to repairing buildings damaged by a disaster or constructing new buildings to replace buildings destroyed by a disaster, if the buildings are located in a county or Indian nation declared as a federal disaster area eligible for individual assistance during the period November 1, 1995, through June 30, 1997;

(2) tangible personal property that becomes an ingredient or component of such buildings during the course of repair or construction;

(3) private automobiles, when replacing a private automobile that was damaged by a disaster occurring during the period November 1, 1995, through June 30, 1997, and the damaged automobile was registered and licensed under the laws of this state at the time of the disaster.

Declares that a person who receives an individual or family assistance grant from the federal emergency management agency may not claim the exemption granted under this act.

Declares that repair or replacement of property that is covered by insurance is not exempt.

Expires July 1, 1998.

VETO MESSAGE ON SB 5157-S

May 20, 1997

To the Honorable President and Members,  
The Senate of the State of Washington  
Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 5157 entitled:

"AN ACT Relating to sales and use tax exemptions for victims of inclement weather that led to a declaration of a disaster area;"

Substitute Senate Bill No. 5157 would have established a sales and use tax exemption for labor, services and materials used in repairing buildings, and replacement of private automobiles damaged by natural disasters occurring between November 1, 1995 and June 30, 1997.

I agree that it is important to assist victims of natural disasters, but I do not believe this bill is the way to do it. Many people would be unable to take advantage of the exemption since they have already repaired or replaced damaged buildings and

automobiles. In order to be effective and fair, this bill would have needed to be in place prior to the natural disasters.

This bill represents a well-intentioned effort to help the victims of weather-related natural disasters. However, the defects of the bill more than offset its good intentions. The program it establishes would be readily subject to fraudulent abuse, and would require extensive and burdensome record keeping by private businesses.

For these reasons, I have vetoed Substitute Senate Bill No. 5157 in its entirety.

Respectfully submitted,  
Gary Locke  
Governor