

# SENATE BILL REPORT

## SB 5763

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As of January 21, 2000

**Title:** An act relating to taxation of coin-operated laundry facilities.

**Brief Description:** Changing taxation of coin-operated laundry facilities.

**Sponsors:** Senators Brown, West, Oke and Rasmussen.

**Brief History:**

**Committee Activity:** Ways & Means: 3/1/99; 1/26/00.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** David Schumacher (786-7474)

**Background:** The sales tax is imposed on each retail sale of most articles of tangible personal property and certain services. Taxable services include construction, repair, telephone, lodging of less than 30 days, physical fitness, and some recreation and amusement services. The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property is subject to tax, including charges made for the use of coin-operated laundry facilities.

In 1993, the sales tax was imposed on the use of coin-operated laundry facilities in an apartment house, hotel, motel, rooming house, trailer camp, or tourist camp for the exclusive use of the tenants thereof. The business and occupation (B&O) tax classification for this activity therefore changed from service (1.5 percent) to retailing (0.471 percent).

In 1998, the Legislature returned to the pre-1993 situation by exempting charges made for the use of coin-operated laundry facilities in an apartment house, rooming house, or mobile home park for the exclusive use of the tenants. As a result these activities are no longer subject to the retail sales and use tax and the B&O tax classification changes from retailing back to service.

Coin operated laundry facilities which are not located in an apartment house, hotel, motel, rooming house, trailer camp, or tourist camp for the exclusive use of the tenants have always been subject to the sales tax.

**Summary of Bill:** The sales tax exemption is expanded to include all coin-operated laundry facilities. The removal of the sales tax results in a change of the B&O tax classification from retailing back to service.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on August 1, 1999.