

SENATE BILL REPORT

SB 5815

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, March 2, 1999

Title: An act relating to taxation of social card games.

Brief Description: Lowering the maximum tax rate on social card games.

Sponsors: Senators Prentice, Winsley, Heavey, Deccio, T. Sheldon, Honeyford, Gardner, Hale, Benton, Rasmussen, Loveland, Swecker and Sellar.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/25/99, 3/2/99 [DPS].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 5815 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Gardner, Hale, Heavey, Rasmussen, T. Sheldon, West and Winsley.

Staff: Catherine Mele (786-7470)

Background: A city, county, or town may tax social card games at a rate not to exceed 20 percent of gross revenues from the games. Not all local jurisdictions tax social card games at the maximum tax rate.

Summary of Substitute Bill: Legislative policies with respect to social card games are stated. The Legislature declares that the decision to authorize social card games has increased employment opportunities and increased tax revenues.

Substitute Bill Compared to Original Bill: The tax rate language is deleted and a legislative declaration of the state's policy with respect to social card games is added.

Appropriation: None.

Fiscal Note: Requested on February 19, 1999.

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

Testimony For: A great man once said, "The power to tax is the power to destroy." By raising taxes cities are attempting to tax us out of business. At a 20 percent tax rate social card rooms cannot be viable businesses. With a 20 percent tax rate we cannot provide our employees benefits or retirement packages.

Testimony Against: There were some who signed up against this bill but due to time constraints did not testify.

Testified: PRO: Dolores Chiechi Whitmore, Jim Rontos, Steve Griffiths, H.T. Higgins, Gary Murray, Recreational Gaming Assn.; Robert L. Ranson, Ranson Enterprise; Larry Ostlund, Mr. Ed's Casino Supply; Anita Clark, CHIPS Casino; CON: Jay Cervenyh, City of LaCenter; Ron Rosenbloom, AWC.