

# SENATE BILL REPORT

## SB 6021

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As Reported By Senate Committee On:  
Transportation, March 3, 1999

**Title:** An act relating to a sales and use tax exemption for regional transportation authorities.

**Brief Description:** Providing a sales and use tax exemption for regional transportation authorities.

**Sponsors:** Senators Prentice and Patterson.

**Brief History:**

**Committee Activity:** Transportation: 3/2/99, 3/3/99 [w/oRec-WM].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That it be referred to Committee on Ways & Means without recommendation.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Goings, Vice Chair; Eide, Finkbeiner, Horn, Jacobsen, Johnson, Morton, Oke, Prentice, Patterson, Sellar, T. Sheldon, Shin and Swecker.

**Staff:** Jeff Doyle (786-7322); Gene Baxstrom (786-7303)

**Background:** The state portion of the sales and use tax is currently 6.5 percent. In addition, various local sales taxes are allowable under law. In King County, for example, there is an additional 2.1 percent levied for various dedicated purposes, including local government support, public transportation, criminal justice, high capacity transportation, etc., for a total sales tax of 8.6 percent.

One regional transportation authority has been created in Washington--Sound Transit, which will provide commuter and light rail, and enhanced transit service to the greater Puget Sound area.

**Summary of Bill:** Regional transportation authorities are exempt from paying the sales tax on all transactions, and are exempt from paying the use tax related to any property purchased at retail or acquired by lease, gift or bailment.

**Appropriation:** None.

**Fiscal Note:** Requested on February 26, 1999.

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

**Testimony For:** The cost savings to Sound Transit that would be accomplished by this bill should be used to expand service to communities such as Tukwila.

**Testimony Against:** The savings from sales tax exemption on this project should be used to the benefit of all citizens within the RTA boundary, not just one community.

**Testified:** PRO: Senator Prentice, prime sponsor; Greg Nickels, Sound Transit, Jared Smith, City of Seattle; Mayor John Rants, City of Tukwila; Mike Ragsdale, City of Tukwila; Martin Durkan, Jr., Tukwila Transit Partnership; CON: Doug Levy, City of Everett.