

# SENATE BILL REPORT

## SB 6060

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As of March 1, 1999

**Title:** An act relating to sales and use tax exemptions for uncooked pizza.

**Brief Description:** Exempting uncooked pizza from sales and use taxes.

**Sponsors:** Senators Eide, Swecker, T. Sheldon, Goings, Fraser, Finkbeiner and Winsley.

**Brief History:**

**Committee Activity:** Ways & Means: 3/3/99.

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### SENATE COMMITTEE ON WAYS & MEANS

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

**Background:** The sales tax is imposed on retail sales of most items of tangible personal property and some services. Use tax is imposed on the use of an item in this state when the acquisition of the item or service has not been subject to sales tax. The combined state and local sales and use tax rate is between 7 and 8.6 percent, depending on location.

Major items exempt from sales and use tax include most food for human consumption, prescription drugs, motor vehicle fuel, utility services, professional services (e.g. medical, legal), certain business services (e.g. accounting, engineering), and items that become a component of another product for sale.

Although most food products are exempt from tax, some foods are subject to sales and use tax. For example, meals sold by restaurants, cafeterias, caterers, and hotels are subject to tax.

Foods sold by vendors who handle unwrapped or unpackaged foods are also subject to tax. Such foods include items such as sandwiches, chicken cooked on the premises of a store, deli trays, home delivered pizzas or meals, and salads from an in-store salad bar.

Some exceptions exist. The following unwrapped foods are exempt from sales and use tax: raw meat, slices of cheese and meat, bakery products, and bulk foods sold from bins or barrels.

**Summary of Bill:** A sales and use tax exemption is provided for sales of raw and uncooked pizzas.

**Appropriation:** None.

**Fiscal Note:** Available.

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

