

SENATE BILL REPORT

SB 6635

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, February 1, 2000

Title: An act relating to a sales and use tax exemption for clothing and footwear.

Brief Description: Providing a tax exemption for clothing and footwear.

Sponsors: Senators Sheahan, Winsley, Benton, Finkbeiner, Swecker, Johnson, Zarelli, Hale, Deccio, Morton and McCaslin.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 1/27/2000, 2/1/2000 [DP].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

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

Staff: Susan Jones (786-7784)

Background: Sales tax is paid on each retail sale of most articles of tangible personal property and certain services. Use tax is imposed on the use of articles of tangible personal property when the sale or acquisition has not been subject to the sales tax. Use tax commonly applies to purchases made from out-of-state businesses.

Major items exempt from tax include food for human consumption, prescription drugs, motor vehicle fuel, utility services, certain business and professional services, and items that become a component part of another product for sale.

Summary of Bill: For the period December 1 through December 7, clothing and footwear for human use are exempt from sales and use tax. The exemption includes fabric, thread, yarn, buttons, snaps, hooks, zippers, and other items used to make or repair clothing if the item becomes a physical component part of the clothing. Excluded are costumes or rented formal wear, jewelry, athletic equipment, and protective devices such as motorcycle helmets.

The Department of Revenue may adopt rules to implement the bill.

Appropriation: None.

Fiscal Note: Requested on January 24, 2000.

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

Testimony For: None.

Testimony Against: None.

Testified: No one.