

SENATE BILL REPORT

SB 6823

As of February 7, 2000

Title: An act relating to a sales and use tax exemption for dry cleaning services.

Brief Description: Providing a sales and use tax exemption for dry cleaning services.

Sponsors: Senators Roach, Benton and Shin.

Brief History:

Committee Activity: Ways & Means: 2/7/2000.

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. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. The total tax rate is between 7 percent and 8.6 percent, depending on location. Sales tax applies when items are purchased at retail in state. Sales tax is paid by the purchaser and collected by the seller.

Sales tax applies to some services. The cleaning of tangible personal property is a service subject to sales tax. Linen supply services are subject to sales tax, if the laundering of linen, uniforms, or towels takes place in Washington.

Summary of Bill: Dry cleaning services are exempt from sales and use taxes.

Dry cleaning services— are defined as the activity of providing customers with clean apparel, linen, towels, uniforms, etc.

Appropriation: None.

Fiscal Note: Available.

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