

2850

Sponsor(s): Representatives Reardon, Schoesler, Scott, D. Schmidt, Tokuda, Skinner, Thomas, Clements, Dunshee, McIntire and Pennington

Brief Description: Modifying the tax treatment of linen and uniform supply services.

HB 2850 - DIGEST

(SUBSTITUTED FOR - SEE 1ST SUB)

Finds that some linen and uniform supply services have been incorrectly characterized for retail sales tax purposes. These businesses have been characterized as providing cleaning services when in fact they rent clean items to customers. As a result of this incorrect characterization, some companies that perform laundry activities outside the state of Washington have not been required to collect retail sales taxes upon linen and uniform supply services provided to Washington customers.

Declares that this error in tax treatment provides an incentive for businesses to locate their laundry functions out of state. In-state businesses cannot compete if out-of-state competitors are not required to collect sales tax.