
Finance Committee

HB 1291

Brief Description: *Modifying the use tax exemption on motor homes.*

Sponsors: *Representatives Mulliken, Kessler, Mielke and Casada.*

Brief Summary of Bill

A use tax exemption is provided for the use of a motor home in Washington State, if the owner acquired the motor home more than 90 days prior to moving to Washington State and while a resident of the other state.

Hearing Date: *2/13/01*

Staff: *Mark Matteson (786-7145).*

Background:

The use tax is imposed on items used in the state which were not subject to the retail sales tax. Tax liability arises when property is first put to use in the state, whether the property is purchased by a seller that is not required to collect sales tax, is received as a gift, is extracted or manufactured and used by the extractor or manufacturer, or is acquired by bailment. The state and local rates are the same as those imposed under the retail sales tax: 6.5 percent rate for the state, and a statutory maximum of 3.1 percent for cities and counties. Actual local rates range from 0.5 percent to 2.3 percent. Use tax is paid directly to the Department of Revenue.

All items in the use tax base are subject to the tax unless specifically exempted. For a person that has recently moved to Washington and become a resident, or for a nonresident member of the armed forces recently stationed in Washington, an exemption is provided for the use of household goods and private motor vehicles acquired in another state while a resident there, if the acquisition of the items occurred more than ninety days before the move to Washington.

Motor homes are specifically excluded from the exemption provided to the use of personal

property of persons who have recently relocated to Washington. Thus, the use of motor homes in Washington State is taxable, even if the motor home was acquired more than 90 days before relocation to Washington.

Summary of Bill:

The use tax does not apply to motor homes used in Washington State by a new resident or a recently stationed member of the armed forces, if the person acquired the motor home in another state more than ninety days before the move to Washington, while the person was a resident in the other state.

Appropriation: None.

Fiscal Note: Requested on February 07, 2001.

Effective Date: The bill takes effect on August 01, 2001.