
Local Government & Housing Committee

HB 1521

Brief Description: Authorizing the state treasurer to distribute interest from the local leasehold excise tax account.

Sponsors: By Representatives Simpson, Mulliken, Dunshee, Mielke and Haigh.

Brief Summary of Bill
<ul style="list-style-type: none">· Distributes as lump sum accumulated interest in the local leasehold excise tax account.· Provides for future ongoing distribution of interest.

Hearing Date: January 14, 2002.

Staff: Amy Wood (786-7127).

Background:

Property owned by federal, state, or local government is exempt from the property tax. However, private lessees of government property are subject to the leasehold excise tax. The purpose of the tax is to impose a tax burden on persons using publicly-owned, tax-exempt property similar to the property tax that they would pay if they owned the property. The tax rate of 12.84 percent is imposed on the amount paid in rent for the public property.

The tax is collected by the Department of Revenue and is distributed to the counties and cities by the state treasurer on a bimonthly basis; i.e., every two months. Interest earnings accrued are not distributed with the principle, but accumulate in the leasehold excise tax account. The interest earnings currently accumulated in the account total approximately one million dollars.

Summary of Bill:

The Local Leasehold Excise Tax act is amended and directs the state treasurer to make one lump sum distribution of all interest earnings accrued before July 31, 2002, to the counties and cities proportionate to the amount of tax collected on behalf of each county and city. In

addition, the state treasurer is directed to distribute all interest earnings accrued after July 31, 2002, bimonthly to the counties and cities proportionate to the amount collected on behalf of each county and city.

Appropriation: None.

Fiscal Note: Requested on January 9, 2002.

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