

SENATE BILL REPORT

SHB 2184

As Reported By Senate Committee On:
Ways & Means, April 2, 2001

Title: An act relating to revising the excise tax treatment of park model trailers to provide the same tax treatment as that given to mobile homes.

Brief Description: Revising tax treatment of park model trailers.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Berkey, DeBolt, Morris, Dunshee and Edwards).

Brief History:

Committee Activity: Ways & Means: 3/22/01, 4/2/01 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

Staff: Terry Wilson (786-7433)

Background: The real estate excise tax (REET) is imposed on each sale of real property. The state tax rate is 1.28 percent of the selling price. Additional local rates are allowed. The most common total tax rates are 1.53 percent and 1.78 percent. The tax is applied when a sale occurs. A sale is defined as any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property. The seller of real estate pays REET, except the 1 percent county conservation rate which is paid by the buyer.

Real estate excise tax applies to the sale of used mobile or manufactured homes which are fixed in location on which sales or use tax was previously paid. Retail sales or use tax does not apply.

A park model trailer is a travel trailer designed to be used with temporary connections to utilities necessary for operation of installed fixtures and appliances. A park model trailer's gross area is less than 400 square feet. The retail sales or use tax applies to the sale of both new and used park model trailers.

Summary of Amended Bill: The sales of used park model trailers which are fixed in location are made subject to the real estate excise tax rather than the sales and use tax.

Amended Bill Compared to Substitute Bill: Sales and use exemptions are added for used park model trailers.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on August 1, 2001.

Testimony For: This makes park model trailers comparable to mobile homes.

Testimony Against: None.

Testified: Representative Berkey, prime sponsor (pro).