

SENATE BILL REPORT

SSB 5266

As Passed Senate, April 11, 2001

Title: An act relating to the sale of thoroughbred horses.

Brief Description: Exempting thoroughbred race horses purchased through claim from sales tax.

Sponsors: Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senators Patterson, Constantine, B. Sheldon and Kohl-Welles).

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 1/30/01, 2/13/01 [DPS-WM].

Ways & Means: 2/20/01, 3/26/01 [DPS (LCF)].

Passed Senate: 4/11/01, 47-1.

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 5266 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Benton, Franklin, Honeyford, Patterson, Rasmussen, Regala, West and Winsley.

Staff: Catherine Mele (786-7470)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5266 as recommended by Committee on Labor, Commerce & Financial Institutions be substituted therefor, and the substitute bill do pass.

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

Staff: David Schumacher (786-7474)

Background: The retail sales tax does not apply to sales of purebred horses for breeding purposes where the horses are registered in a nationally recognized breed association. A claims race at a race track occurs when a horse in the race may be claimed or purchased for a specified price before the race. Currently, at claims races racing associations do not collect retail sales tax for breeding horses but do collect the tax for horses that do not breed.

Summary of Bill: All sales of thoroughbred race horses are exempt from retail sales tax at claims races.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For (Labor, Commerce & Financial Institutions): Thoroughbred horse racing is searching for ways to revitalize the industry and to bring people into the industry. A claiming race establishes the price on horses at the race track. When someone claims a stallion or a mare, he or she pays the exact price with no taxes. When someone claims a gelding he or she pays the retail sales taxes. This bill makes the price the same despite whether the horse is a stallion, mare, or gelding.

Testimony Against (Labor, Commerce & Financial Institutions): None.

Testified (Labor, Commerce & Financial Institutions): PRO: Frank J. Warnke, WHAC Advocates Inc.; Mary Ann O'Connell, WA Horsemen's Benevolent and Protection Assn.; Ralph Vacca, WA Thoroughbred Breeders Assn.

Testimony For (Ways & Means): The current tax system exempts some thoroughbreds but not others. This would solve that problem

Testimony Against (Ways & Means): None.

Testified (Ways & Means): Frank Warnke, WHAC (pro); Mary Ann O'Connell, WHBPA (pro).