

2750-S

Sponsor(s): House Committee on Finance (originally sponsored by Representatives Gombosky, Nixon, Wood, Ballasiotes, Conway, Veloria, Ogden, Chase, Berkey, Skinner and Edwards)

Brief Description: Providing a limited property and leasehold tax exemption for the incidental use of artistic or scientific facilities.

HB 2750-S.E - DIGEST

(AS OF HOUSE 2ND READING 2/18/02)

Finds that artistic, scientific, or historical organizations and organizations engaged in the production and performance of musical, dance, artistic, dramatic, or literary works provide many public benefits to the people of the state of Washington.

Finds that it is in the best interest of the state of Washington to provide a limited property tax and leasehold excise tax exemption for incidental use of the facilities of certain organizations to allow these organizations to better raise additional revenues from the public to be self-sustaining for their exempt purposes.

Declares that the exemption for properties described in RCW 84.36.060(1) that are loaned or rented to any person, for-profit organization, or business enterprise not eligible for a tax exemption shall be determined by one or more of the methods in this section as appropriate.

(1) The portion of the property used for the nonexempt purpose may be segregated and taxed at one hundred percent of assessed value.

(2) If income from loans or rentals to nonexempt users does not exceed ten percent of gross income from all sources in a calendar year the property is exempt on one hundred percent of the assessed value.

(3) If income from loans or rentals to nonexempt users exceeds ten percent of gross income from all sources in a calendar year, the property is subject to taxation in an amount equal to the assessed value multiplied by the proportion of income from such loans or rentals to the gross income for all sources in any calendar year.

Exempts all leasehold interests created in publicly owned real property used by nonprofit artistic, scientific, and historical organizations and nonprofit associations engaged in the production and performance of musical, dance, artistic, dramatic, or literary works that would be exempt from property tax under RCW 84.36.060(1) if they owned the property. If the publicly owned property is used for any taxable purpose, the leasehold excise taxes set forth in RCW 82.29A.030 and 82.29A.040 shall be imposed and apportioned consistent with the procedures in this act.