

# SENATE BILL REPORT

## SHB 1357

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As Reported By Senate Committee On:  
Ways & Means, March 9, 2004

**Title:** An act relating to the taxation of physical fitness services.

**Brief Description:** Modifying the taxation of physical fitness services.

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Quall, Cairnes, Miloscia, Orcutt, Gombosky, Ahern, Grant, Roach, Hatfield, Kessler, O'Brien, Morris, Linville, Haigh, Lovick, Rockefeller, Lantz, Wood, Eickmeyer, G. Simpson, Boldt and Pflug).

**Brief History:**

**Committee Activity:** Ways & Means: 3/9/04 [DP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Zarelli, Chair; Hewitt, Vice Chair; Parlette, Vice Chair; Carlson, Doumit, Hale, Honeyford, Johnson, Pflug, Rasmussen, Sheahan, B. Sheldon and Winsley.

**Staff:** Catherine Suter (786-7442)

**Background:** Physical fitness services are currently considered a retail service, as opposed to a general service. As a retail service, they are subject to the sales and use tax and those who provide them are subject to the retail rate of the business and occupation (B&O) tax.

General services are not subject to the sales and use tax yet those who provide them are subject to the higher B&O services rate.

**Summary of Bill:** Physical fitness services are removed from the definition of retail services.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2006.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** No one.