
Finance Committee

HB 2040

Brief Description: Modifying the tax exemption for sales of motorcycles and off-road vehicles to nonresidents.

Sponsors: Representatives Woods, Simpson, Orcutt, Eickmeyer, Holmquist and Curtis.

Brief Summary of Bill

- Exempts motorcycles and off-road vehicles from sales tax if transported out of state in a vehicle or trailer owned by a nonresident.

Hearing Date: 3/1/05

Staff: Bob Longman (786-7139).

Background:

The retail sales tax applies to the selling price of tangible personal property and of certain services purchased at retail in this state. The tax is paid by the purchaser and collected by the seller. An exemption from retail sales exists for sales of motor vehicles, trailers, or campers to nonresidents for use outside of this state, even though delivery is made within this state. This exemption applies only if the motor vehicle, trailer, or camper will be transported directly out of the state under a one-transit permit obtained from the Department of Licensing, and will be licensed immediately in the state where the purchaser resides.

Summary of Bill:

A motorcycle or off-road vehicle is exempt from retail sales tax if it will be used outside this state and will be transported out of this state using a motor vehicle licensed in the purchaser's state of residence.

Appropriation: None.

Fiscal Note: Requested on February 18, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.