
Finance Committee

HB 2114

Brief Description: Limiting the tax exemption for sales to nonresidents.

Sponsors: Representatives Wallace and Dunn.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Limits the nonresident retail sales tax exemption to sales totaling fifty dollars or more.
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Hearing Date: 3/3/05

Staff: Bob Longman (786-7139).

Background:

Residents of a state, possession, or Canadian province that does not impose a sales tax of 3 percent or more may be exempt from Washington retail sales tax on purchases in this state of tangible personal property for use outside this state. The buyer must present proof of nonresident status consisting of one piece of identification such as a driver's license or an identification card which has a photograph of the nonresident. The identification must show the nonresident's address and have as one of its purposes the establishment of residency in the out-of-state jurisdiction.

Sellers are not required to make tax exempt sales to nonresidents. But if a seller chooses to make an exempt sale to a non resident, the seller must make a good faith effort to determine that the buyer is eligible for exemption, and must keep records maintain records for each exempt sale showing the type of proof accepted, including any identification numbers where appropriate, and the expiration date, if any.

There is no minimum purchase amount required for the nonresident retail sales tax exemption.

Summary of Bill:

The nonresident retail sales tax exemption is limited to sales totaling fifty dollars or more.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on August 1, 2005.