

SB 6796 - DIGEST

Provides tax exemptions for amenities purchased by lodging businesses for use by guests.

Finds that, in October 2004, the court of appeals held in the *Mayflower Park Hotel* decision that hotels are not entitled to a resale exemption for tangible personal property which they purchase for the exclusive use and consumption of guests. A regulation of the department of revenue (WAC 458-20-166) reaches the same conclusion.

Finds that the court's decision and the department's regulation are inconsistent with the sales tax resale exemption and inconsistent with the way other similarly situated taxpayers are taxable under the same subsection of the law. Therefore, the legislature intends to overturn the *Mayflower Park Hotel* decision and departmental regulation and grant the lodging industry the resale exemption.