

FINAL BILL REPORT

SB 6375

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Synopsis as Enacted

Brief Description: Providing a sales tax exemption for certain trail grooming services.

Sponsors: Senators Hatfield, Schoesler, Carrell, Holmquist, Parlette and Rasmussen.

Senate Committee on Natural Resources, Ocean & Recreation

Senate Committee on Ways & Means

House Committee on Finance

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. Use taxes apply to the value of most tangible personal property and some services when used in this state, if retail sales taxes were not collected when the property or services were acquired by the user. The combined state and local rate varies from 7 to 8.9 percent depending on location.

Included in the retail sales tax base are charges made for clearing land and moving earth, except where land is leveled for the purpose of farming. This includes snow compacting, snow redistribution, and snow removal, on state-owned or privately-owned trails.

The Parks and Recreation Commission (Commission) has managed a winter recreation program since 1975 called Sno-Park. The Commission provides cleared parking areas in close proximity to groomed and backcountry trails on public and private lands. The Commission contracts with vendors to provide the trail grooming services, in which the vendor maintains and arranges the snow cover on the trails to facilitate the type of designated winter recreation for the trail.

Summary: Trail grooming services provided to Washington and nonprofit corporations are exempted from sales tax.

Votes on Final Passage:

Senate	47	1
House	96	1

Effective: June 12, 2008