
Finance Committee

HB 3033

Brief Description: Concerning a sales and use tax exemption for wax and ceramic materials used to create molds for ferrous and nonferrous investment castings.

Sponsors: Representatives Sells and McCoy.

Brief Summary of Bill

- Provides a sales and use tax exemption for wax, ceramic materials, and labor related to the creation of investment castings used in industrial applications.

Hearing Date: 2/2/10

Staff: Jeffrey Mitchell (786-7139).

Background:

Retail sales 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 digital products and some services. A retail sale is a sale to the final consumer or end user of the property, product, or service and the tax is imposed on the consumer.

Tangible personal property which becomes an ingredient or component of another article for sale may be purchased for resale and sales tax does not apply. However, items of tangible personal property that are consumed during the manufacturing process, and do not become an ingredient or component of another article, are subject to the retail sales tax.

Summary of Bill:

A sales tax exemption is provided for wax and ceramic materials used to make molds for creating ferrous and nonferrous investment castings used in industrial applications. The exemption also applies to labor or services used to create wax patterns and ceramic shells for ferrous and nonferrous investment castings.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2010