

# SENATE BILL REPORT

## SB 5470

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As of April 18, 2009

**Title:** An act relating to providing sales and use tax exemptions for senior residents of qualified low-income senior housing facilities.

**Brief Description:** Providing sales and use tax exemptions for senior residents of qualified low-income senior housing facilities.

**Sponsors:** Senators Stevens, Carrell, Parlette, Swecker, McCaslin, Hewitt, Schoesler, King, Holmquist, Pflug, Roach, Delvin and Benton.

**Brief History:**

**Committee Activity:** Ways & Means: 4/18/09.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Dianne Criswell (786-7433)

**Background:** The sales tax is imposed by the state, counties, and cities on retail sales of most items of tangible personal property and some services, including construction and repair services. The state sales rate is 6.5 percent and the local rates vary by location. The combined state/local rate is between 7 and 9.5 percent, depending on location.

Food and food ingredients purchased for human consumption are exempt from sales and use tax. However, prepared meals served for consumption on the premises or where consumption facilities are provided are generally subject to the retail sales or use tax. Under current law, there is an exemption for prepared meals when they are provided to senior citizens, individuals with disabilities, or low-income persons furnished by a not-for-profit or under a state administered nutrition program for the aged.

**Summary of Bill:** A sales and use tax exemption is provided for senior residents of qualified low-income senior housing facilities. The exemption applies to sales and use tax on charges for bundled service packages and meals when provided by the lessor or operator of a qualified senior housing facility for qualified tenants.

A "qualified low-income senior housing facility" means a facility that (1) meets the definition of a qualified low-income housing project under the federal Internal Revenue Code; (2) has been partially funded under Title 42 U.S.C. Sec. 1485 of the federal Internal Revenue Code;

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and (3) has a lessor or operator who at any time has been entitled to claim a federal income tax credit under Title 26 U.S.C. Sec. 42 of the federal Internal Revenue Code.

A qualified tenant must be at least 62 years of age. If the sale is billed to both spouses of a marital community or both domestic partners of a domestic partnership, the sale will be exempt if at least one of the spouses or domestic partners is at least 62 years of age.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect on August 1, 2009.