

FINAL BILL REPORT

SSB 6073

C 77 L 12
Synopsis as Enacted

Brief Description: Concerning sales and use taxes related to the state route number 16 corridor improvements project.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Regala, Rolfes and Carrell).

Senate Committee on Transportation
Senate Committee on Ways & Means
House Committee on Ways & Means

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 including state construction projects. If retail sales taxes were not collected when the property or services were acquired by the user, then use taxes apply to the value of most tangible personal property and some services when used in this state. Use tax rates are the same as retail sales tax rates.

A new suspension bridge was built next to the old Tacoma Narrows Bridge. The new bridge on State Route 16 opened July 16, 2007. The old bridge retrofit was completed in the spring of 2008. The old span takes drivers westbound on two general purpose lanes and one carpool lane. The new bridge carries eastbound traffic on two general purpose lanes, one carpool lane and a fourth drop lane. The Tacoma Narrows Bridge toll project has a sales and use tax deferral. The taxes are deferred for five years after tolls on the new project started. Beginning in December 2012, the deferred tax becomes due and is payable in ten annual installments.

Tolls are expected to increase this year due to lower than anticipated toll receipts, increased debt service payments coming due, a mandated minimum fund balance, and deferred sales taxes coming due.

Summary: State sales and use taxes imposed on the Tacoma Narrows Bridge project, for which a deferral has been granted, are to begin repayment after 11 years instead of five.

Votes on Final Passage:

Senate 45 3

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.

House 72 26

Effective: June 7, 2012