
Finance Committee

HB 1839

Brief Description: Creating a sales tax exemption for equipment purchased by fire districts in rural counties.

Sponsors: Representatives Dent, Lovick, Griffey, Blake, Frame, Irwin, Goodman, Dye, Haler, Schmick and Johnson.

Brief Summary of Bill

- Provides a sales and use tax exemption to eligible fire districts for all equipment purchases

Hearing Date: 2/7/17

Staff: Richelle Geiger (786-7139).

Background:

Sales and Use Tax.

Retail sales taxes are imposed on retail sales of most articles of tangible personal property. A retail sale is a sale to the final consumer or end user of the property. If retail sales taxes were not collected when the consumer purchased the property, then the consumer owes use tax on the value of the property. The state sales and use tax rate is 6.5 percent. Most cities and all counties also levy retail sales and use taxes, with rates varying from 0.5 percent to 3.0 percent.

Fire Protection Districts.

A fire protection district is a type of special purpose district with the responsibility to provide fire prevention and suppression services and emergency medical response services. A fire district has the powers and authorities of a municipal corporation. Fire districts are generally managed by a board of commissioners.

Summary of Bill:

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.

Fire protection districts with a population of less than 10,000 that are located in a rural county are exempt from sales and use tax on the purchase of any item of equipment.

A rural county is defined as a county with a population density of less than one hundred persons per square mile or a county smaller than 225 square miles as determined by the Office of Financial Management. Equipment is defined as fire and emergency medical apparatus and all other vehicles, machinery, and equipment necessary for the prevention and suppression of fires, the providing of emergency medical services, and the protection of life and property.

Appropriation: None.

Fiscal Note: Requested on January 31, 2017.

Effective Date: The bill takes effect on October 1, 2017.