
Finance Committee

HB 2499

Brief Description: Exempting seeds and plants used to grow food from retail sales and use tax.

Sponsors: Representatives Caldier, Gregerson, Pike and Young.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Exempts seeds and plants used to grow food from retail sales and use tax.

Hearing Date: 1/19/18

Staff: Serena Dolly (786-7150).

Background:

Retail Sales and Use Tax.

Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes applies to the value of property, digital product, or service when used in this state. The state, all counties, and all cities levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.9 percent, depending on the location.

Food and Food Ingredients.

Food and food ingredients are exempt from retail sales and use tax. Food and food ingredients are defined as substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Alcoholic beverages, tobacco, marijuana, useable marijuana, and marijuana-infused products are excluded from the definition of food and food ingredients.

Seed and Seedlings.

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.

Seed and seedlings purchased by farmers and persons participating in conservation and habitat protection programs are exempt from retail sales and use tax.

Summary of Bill:

Seeds and plants used to grow food and food ingredients are exempted from retail sales and use tax.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.