
Finance Committee

HB 2799

Brief Description: Providing that certain local sales and use taxes may be used for prevention and outreach programs.

Sponsors: Representatives Kagi and Jenkins.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Allows the local sales and use tax for chemical dependency and mental health to be used for prevention and outreach programs.

Hearing Date: 1/30/18

Staff: Serena Dolly (786-7150).

Background:

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.

Local Sales and Use Tax for Mental Health and Chemical Dependency.

Legislation enacted in 2005 allows a county legislative authority to levy a 0.1 percent mental health and chemical dependency sales and use tax. Since January 1, 2011, cities of more than 30,000 population within a county of more than 800,000 population have been authorized to levy the tax if the county has not. If the county subsequently levies the tax, it must provide a credit for the city tax against the county tax. The sales and use tax has been imposed by 23 counties and one city.

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.

The proceeds of the tax must be devoted to chemical dependency, mental health treatment, and therapeutic court programs and services. Programs and services include treatment, case management, transportation, and housing that are a component of a coordinated chemical dependency or mental health treatment program or service.

Summary of Bill:

In addition to funding chemical dependency, mental health treatment, and therapeutic court programs and services, a county or city imposing the 0.1 percent sales and use tax for mental health and chemical dependency may use the revenue for prevention and outreach programs specifically targeted towards individuals who show signs or high risk factors associated with mental health or chemical dependency disorders.

Appropriation: None.

Fiscal Note: Available.

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