

SENATE BILL REPORT

SB 6320

As of February 19, 2018

Title: An act relating to exempting certain leasehold interests in performing arts facilities or arenas from the leasehold excise tax.

Brief Description: Exempting certain leasehold interests in performing arts facilities or arenas from the leasehold excise tax.

Sponsors: Senators Conway, O'Ban and Darneille.

Brief History:

Committee Activity: Ways & Means: 2/22/18.

Brief Summary of Bill

- Permanently exempts eligible performing arts facilities or arenas from the leasehold excise tax.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Alia Kennedy (786-7405)

Background: Leasehold excise taxes are levied and collected on the act or privilege of occupying or using publicly owned real or personal property through a leasehold interest. A leasehold interest is an interest in publicly owned real or personal property which exists by virtue of any lease, permit, license, or other written or verbal agreement between a public owner and a person who would not be exempt from property taxes if that person owned the property.

The tax is imposed in lieu of property tax at a rate of 0.1284 of the rent paid for the property. Approximately 53 percent of the tax is directed to the state general fund and 47 percent of the tax is returned to the county and city in which the leased property is located.

Summary of Bill: All leasehold interests in the public or entertainment areas of a performing arts facility or arena are exempt from leasehold excise tax if the facility or arena has a seating capacity of more than 2000 and is located on land owned by a city and was the former site of a World's Fair or has been in continuous operation since 1983.

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.

A tax preference performance statement is provided and states that the tax preference created under this act is permanent.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.