
Finance Committee

HB 1053

Brief Description: Providing a sales and use tax exemption for feminine hygiene products.

Sponsors: Representatives Reeves, Peterson, Valdez, Caldier, Fitzgibbon, Jinkins, Macri, Wylie, Goodman, Doglio, Robinson, Pollet, Orwall, Senn, Stanford, Stonier and Walen.

Brief Summary of Bill

- Exempts feminine hygiene products from sales and use taxes.

Hearing Date: 1/17/19

Staff: Rachelle Harris (786-7137).

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 tax 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.

Tax Preferences.

State law provides for a range of tax preferences that confer reduced tax liability upon a designated class of taxpayer. Tax preferences include tax exclusions, deductions, exemptions, preferential tax rates, deferrals, and credits. Currently, Washington has over 650 tax preferences, including a variety of sales and use tax exemptions. Legislation that establishes or expands a tax preference must include a Tax Preference Performance Statement (TPPS) that identifies the public policy objective of the preference, as well as specific metrics that the Joint Legislative Audit and Review Committee (JLARC) can use to evaluate the effectiveness of the preference.

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.

All new tax preferences automatically expire after 10 years unless an alternative expiration date is provided.

Summary of Bill:

A sales and use tax exemption is provided for the purchase of feminine hygiene products. The exemption is exempted from TPPS requirements, the 10 year expiration of tax preferences, and JLARC review.

Appropriation: None.

Fiscal Note: Available.

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