
**Housing, Community Development &
Veterans Committee**

HB 1736

Brief Description: Concerning tax relief for veterans and service members with disabilities to purchase adaptive agricultural equipment.

Sponsors: Representatives Kraft, Lovick, Dent, Kirby, Klippert, Peterson, Walsh, Kilduff, Stanford, Van Werven, Young and Leavitt.

Brief Summary of Bill

- Exempts adaptive agricultural equipment for disabled veterans and service members from state sales and use taxes.
- Limits the exemption to \$10,000 per person per year.

Hearing Date: 2/6/19

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 (including construction). 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 apply to the value when used in this state. The state, all counties, and most 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.

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.

A veteran or service member with a disability, or a farm owner who employs a veteran or service member with a disability, is eligible for a sales or use tax exemption for purchases of adaptive agricultural equipment.

Adaptive agricultural equipment is agricultural equipment, or equipment installed in or modifications made to agricultural equipment, that are necessary to assist physically challenged persons to operate the equipment. Such equipment includes, hand or foot controls, additional or modified steps, chest and shoulder harnesses, handrails, motorized lifts, hydraulic or electronic controls and hoisters, power door openers, and automatic hitch systems.

The exemption applies to the state portion of sales and use tax only and is available as a remittance through the Department of Revenue. The exemption is limited to \$5,000 per remittance and \$10,000 per person per year.

The exemption applies to sales or uses occurring on or after September 1, 2019, and expires on September 1, 2029.

Appropriation: None.

Fiscal Note: Requested on January 29, 2019.

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