Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Finance Committee

HB 2122

Brief Description: Imposing a sales and use tax on recreational equipment and apparel to provide funding to the state wildlife account.

Sponsors: Representatives Kretz, Chapman, Fitzgibbon, Doglio, Peterson, DeBolt, Maycumber and Blake.

Brief Summary of Bill

- Imposes a 0.20 percent retail sales and use tax on the sale of recreational equipment and apparel.
- Deposits revenue from the tax into the State Wildlife Account.

Hearing Date: 4/5/19

Staff: Tracey O'Brien (786-7152).

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 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.

State Wildlife Account

The State Wildlife Account (Account) receives moneys from various sources. These sources include assessments of administrative penalties, the sale of licenses, tags and stamps, watchable wildlife decals, fees from certain personalized license plates and Department of Fish and Wildlife rentals or concessions. The use of moneys in the Account are limited by statute to uses only

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authorized in Title 77 RCW (Fish and Wildlife), including the payment of principal and interest on bonds issued for capital projects.

Summary of Bill:

A retail sales and use tax of 0.20 percent is imposed on the sale of recreational equipment and apparel with a selling price of at least \$200. Revenues resulting from the tax must be deposited into the State Wildlife Account.

"Recreational activities" included are hiking, camping and watersports. Organized sports such as baseball and football and indoor recreational activities are not included. Firearms, watercraft, bicycles, snowmobiles, jet skis and all-terrain vehicles are excluded from the tax.

A person with a current recreational hunting or fishing license may present his or her license at time of purchase to receive an exemption from the additional sales and use tax.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on October 1, 2019.