FINAL BILL REPORT
ESSB 5147

C 350 L 20
Synopsis as Enacted

Brief Description: Providing tax relief by exempting menstrual products from retail sales and use tax.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Wilson, L., Brown, Carlyle, Conway, Darneille, Palumbo, Keiser, Mullet, O'Ban, Short, Wagoner and Warnick).

Senate Committee on Health & Long Term Care
Senate Committee on Ways & Means

Background: Sales taxes are imposed on retail sales of most articles of tangible personal property, including feminine hygiene products. A retail sale is a sale to the final consumer or end user of the property. If sales taxes were not collected when the consumer purchased the property, then the consumer owes the state use tax on the value of the property. The state's sales and use tax rate is 6.5 percent. Most cities and all counties also levy sales and use taxes, with rates varying from 0.5 percent to 3.9 percent.

Under current law, tax preferences expire every ten years and any bill enacting a new tax preference must include a performance statement so the Legislature may determine whether or not the tax preference is meeting its intended goals. Every four years, the Department of Revenue (DOR) is required to report to the Legislature on the amount of reduced revenues as a result of tax preferences for the current and next biennium. The Joint Legislative Audit and Review Committee (JLARC) also reviews specific tax preferences on behalf of the Legislature.

Summary: Sales of feminine hygiene products to consumers are exempt from the state's sales and use tax. The definition of "feminine hygiene products" is sanitary napkins, tampons, menstrual cups, or any other similar product sold at retail designed specifically to catch menstrual flow either internally or externally. The ten year automatic expiration date does not apply to this tax preference.

The tax preference performance statement is to reduce the tax burden on females for a product that is fundamental to personal hygiene and health. JLARC is not required to review the tax preferences as part of its normal review process. The tax preference will be included in DOR's four-year tax exemption report.

Votes on Final Passage:

Senate	49	0
House	95	2

Effective: July 1, 2020