

SENATE BILL REPORT

SB 5726

As of February 8, 2019

Title: An act relating to exempting clay targets from sales and use tax.

Brief Description: Exempting clay targets from sales and use tax.

Sponsors: Senators Fortunato, Rivers, Warnick, Becker, Brown, Schoesler, Wagoner, Rolfes and Wilson, L..

Brief History:

Committee Activity: Ways & Means: 3/14/19.

Brief Summary of Bill

- Exempts permanently from retail sales and use tax, clay targets purchased by a nonprofit gun club providing the activity of clay target shooting for a fee.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Alia Kennedy (786-7405)

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 taxes apply to the value when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent. Local sales and use tax rates vary depending on the location.

Tax Preference for Clay Targets. In 2013, the Legislature authorized a retail sales and use tax exemption for nonprofit gun clubs on the purchase of clay targets used in the activity of shooting for which a fee is charged. The buyer was required to provide the seller with an exemption certificate from the Department of Revenue (DOR). The exemption expired on July 1, 2017.

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.

Summary of Bill: Retail sales and use taxes do not apply to the sale of clay targets purchased by a nonprofit gun club for use in providing the activity of clay target shooting for a fee.

The exemption is available only when the buyer provides the seller with an exemption certificate as prescribed by DOR. The seller must retain a copy of the certificate for the seller's files. For sellers who electronically file their taxes, DOR must provide a separate tax reporting line for exemption amounts claimed under this act.

The tax preference performance requirements, including the ten year automatic expiration, do not apply to this act.

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.