

---

## Finance Committee

---

### SB 5341

**Brief Description:** Increasing permissible uses of existing local sales tax authority.

**Sponsors:** Senators Wilson, J. and Wilson, L..

**Brief Summary of Bill**

- Expands the allowable uses of a portion of revenues raised from the local sales and use tax for public safety to include emergency medical services purposes.

**Hearing Date:** 3/15/21

**Staff:** Nick Tucker (786-7383).

**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.

Local Sales and Use Tax for Public Safety.

Cities or counties are authorized to impose, with voter approval, an additional sales and use tax to fund certain public safety purposes. For cities, the rate of tax may not exceed 0.1 percent and for counties, the rate of tax may not exceed 0.3 percent. The total combined rate in any given

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

area may not exceed 0.3 percent. The tax does not apply to the sale or use of motor vehicles or to the first 36 months of a motor vehicle lease.

One third of all revenues raised from the tax must be used solely for criminal justice or fire protection purposes. Criminal justice purposes is defined to include activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates.

Forty percent of revenues raised by a county from the tax must be distributed on a per capita basis to cities in the county. Fifteen percent of revenues raised by a city from the tax must be distributed to the county in which the city is located.

**Summary of Bill:**

Emergency medical services purposes is added as an allowable use of one third of the revenues raised from the local sales and use tax for public safety.

**Appropriation:** None.

**Fiscal Note:** Requested on March 11, 2021.

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