

FINAL BILL REPORT

SB 6401

C 170 L 96

Synopsis as Enacted

Brief Description: Providing a sales and use tax exemption for carbon used in producing aluminum.

Sponsors: Senators Bauer, Sellar, Snyder, Newhouse, Sutherland, Zarelli, Sheldon, A. Anderson, Spanel and Roach; by request of Department of Revenue.

Senate Committee on Ways & Means

Background: The sales tax is imposed on each retail sale of most articles of tangible personal property and certain services. Taxable services include construction, repair, telephone, short-term lodging, physical fitness, and some recreation and amusement services.

The retail sales tax does not apply to the purchase of property for the purpose of resale without intervening use by the person; to the purchase of property which becomes an ingredient or component of a new article of property for sale; or to the purchase of property which is a chemical used in processing, when the primary purpose of the chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale.

Summary: Sales of carbon, petroleum coke, coal tar, pitch, and similar substances that become an ingredient or component of anodes or cathodes used in producing aluminum for sale are exempt from sales tax.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: July 1, 1996