

SENATE BILL REPORT

SB 5448

As of February 16, 2001

Title: An act relating to excise taxation of college course materials.

Brief Description: Exempting college course materials from sales and use taxes.

Sponsors: Senators Shin, Sheahan, Kastama, Rasmussen and Kohl-Welles.

Brief History:

Committee Activity: Higher Education: 2/20/01.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Jean Six (786-7423)

Background: Washington imposes a sales tax on retail sales of many items and services purchased by consumers. Currently, the combined state and local retail sales tax rates range from 7.0 percent to 8.6 percent. The purchaser pays the sales tax to the retailer or service provider, who forwards it to the Department of Revenue.

Numerous exemptions from retail sales taxes exist at the present time including most grocery store food items, prescription drugs, and many personal services including medical, dental, and legal services.

Summary of Substitute Bill: An exemption from the retail sales tax is added for college textbooks sold in designated college bookstores.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on February 15, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.