

Repeal sales tax exemption for purchases made by nonresidents (from states with a sales tax of <3%)

Description This proposal would repeal the nonresident exemption for sales taxes.

Current Law Under RCW 82.08.0273, bona fide residents of any state, U. S. possession, or Province of Canada that does not impose a sales tax or similar consumer tax of 3% or more may purchase tangible personal property for use outside this state without paying Washington's sales tax.

The seller is not required to make a tax-free sale to a nonresident, but if he/she does:

- The exemption must be claimed at the time of sale;
- The purchaser must provide proof of exemption to the seller; and
- The seller must retain a record of the proof.

Revenue Impact

General Fund Impacts (\$ millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$23.4	\$23.4

Notes:

- *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
- *Estimates reflect the November 2011 Economic & Revenue Forecast Council revenue forecast.*

Expenditure Impact

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$134,200	\$0	\$134,200