

Repeal the trade-in exclusion from sales tax

Description This proposal would repeal the exclusion of trade-in value from retail sales and use tax.

Current Law When a consumer purchases tangible personal property, the measure of sales or use tax excludes the value of like-kind property traded in at the time of sale. RCW 82.08.010(1) and 82.12.010(1).

Revenue Impact General Fund Impacts (\$ millions):

# of Impacted Taxpayers	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
1,400	\$ -	\$ 145.1	\$ 145.1	\$ 162.3	\$ 159.5	\$ 321.9

Notes:

- Estimates assume a July 1, 2016 effective date, representing 11 months of collections for FY 2017.
- Estimates reflect the November 2015 Economic & Revenue Forecast Council revenue forecast.

Expenditure Impact

FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
\$ 4,500	\$ 24,100	\$ 28,600	\$ 14,900	\$ -	\$ 14,900

Note:

FY 2016 costs represent initial implementation costs and may include items such as system changes, tax return modifications, and taxpayer education.