

## Limit the trade-in exclusion from sales tax to \$10,000

**Description** This proposal would limit the exclusion of trade-in value from retail sales and use tax to \$10,000.

**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 |
|-------------------------|---------|---------|------------------|---------|---------|------------------|
| 1,075                   | \$ -    | \$ 43.7 | \$ 43.7          | \$ 49.0 | \$ 48.4 | \$ 97.4          |

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 |
|-----------|----------|------------------|----------|---------|------------------|
| \$ 12,100 | \$ 8,700 | \$ 20,800        | \$ 8,100 | \$ -    | \$ 8,100         |

Note:

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