

SB 143 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 3/1

WHAT THE MEASURE DOES:

Moves the sunset date of full exemption for federal land used by recreation facility operators under permit by six years, from July 1, 2024 to July 1, 2030. Takes effect January 1, 2024.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In general, when public property is held under contract of sale or is leased to a private individual or business, it is considered taxable. With this policy, federal government land remains exempt from property tax when occupied and used by a commercial recreation facility that pays for a permit to use the land. Examples are ski resorts and lake marinas on federal land. The land is exempt but all real and personal property improvements are taxable to the taxpayer having possession of the property.

This policy can help support the budget of local governments, as counties receive 25 percent of the fees paid by permit holders to the Forest Service.

This exemption originally became law in 1975 and was allowed to sunset on June 30, 2012. In 2013, SB 549 reinstated this exemption retroactive to tax year 2012-13 and set a sunset date of June 30, 2024.