Dear Players and Coaches,

We are sending out this email in anticipation of many of you having questions regarding the sales taxes now being charged on top of our recreation program fees.

Unfortunately, Spokane County Parks, Recreation & Golf was recently notified by the Washington State Department of Revenue that we must collect and remit sales tax on all our recreation program fees. This is due to an interpretation of existing state law by the Department of Revenue – i.e. this is not a new sales tax, but rather, a clarification state-wide that recreation program fees are in fact subject to sales tax.

Beginning with all Fall 2011 Registrations, Spokane County Parks, Recreation and Golf will collect sales tax on team-registrations and additional-player fees for all recreation programs. Specifically, you will be charged an additional 8.7% sales tax in addition to the advertised registration/player fee. For example, if you are planning to register for the upcoming 2011 Fall Volleyball League the registration fee is $375; with the additional 8.7% sales tax, your total balance due at time of registration will be $407.63. Please keep in mind that Spokane County Parks does not benefit from this sales tax; rather, we will collect and turn over the additional sales tax to the State until further notice.

To assist with this new change Spokane County Parks is placing an extra emphasis on keeping athletic fees as low as possible in addition to providing payment options on all athletic fees.

We want you to know that Spokane County Parks worked actively to try and avoid this situation (see more below). If you are interested in additional information regarding these taxes please continue reading below.

We sincerely apologize for any inconvenience this change may cause you and hope that you continue to participate in our recreation programs.

Very Truly Yours,

The Recreation Staff

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Additional Background Info:

A recent interpretation of existing State Law requires Spokane County Parks, Recreation & Golf to begin collecting Sales Tax on all athletic fees. During this past 2011 legislative session, Spokane County Parks, Recreation and Golf joined other jurisdictions, as well as for-profit and non-profit athletic associations from across the State of Washington, to lobby for a different interpretation of the law through Senate Bill 5422/Proposed Substitute Senate Bill 5422 and companion House Bill 1452. These bills proposed to clarify that recreation program fees are not subject to sales tax. Unfortunately, the bill(s) did not pass during the 2011 legislative session. While Senate Bill 5422/Proposed Substitute Senate Bill 5422 and companion House Bill 1452 remain technically eligible for consideration during the 2012 Session, the bills' failure to be adopted in 2011 has led the Department of Revenue to determine that it must begin enforcing the new interpretation of state law that requires the collection of sales tax in connection with athletic leagues (whether run by governmental, private, or most non-profit entities). As a result, Spokane County Parks, Recreation & Golf is now required to collect and pay an 8.7% sales tax on all athletic fees.

If you are interested in learning more about the existing laws, Senate Bill 5422/House Bill 1452, and legislative and local agency efforts to clarify these statutes, please view the following links:

WAC 458-20-189: Sales to and by the state of Washington, Counties, Cities, Towns, School Districts, and Fire Districts

WAC 458-20-183: Amusement, recreation, and physical fitness services. (this is the portion under review for clarification via SB 5422/HB 1452)

WAC 458-20-169: Nonprofit Organizations

ETA 3167.2011: Taxability of Fees Charged for Amusement and Recreation Services

Department of Revenue Homepage

Washington Recreation and Parks Association Webpage