

**Conference Proposal**  
**Revenue Legislation**  
**Funds Subject to Outlook**  
(Dollars in Millions)

	2021-23	2023-25	2025-27	6 Yr
1682 - Auto Theft Authority Account	0.0	-8.0	-8.1	-16.2
1573 - Dairy, Etc. Tax Preferences	0.0	0.0	-13.6	-13.6
1425 - Municipal Annexations	0.0	-1.7	-10.0	-11.7
1431 - Senior Living Meals/Tax	0.0	-2.7	-3.2	-5.9
1711 - Internet Projects/Tribes	0.0	-3.8	-1.9	-5.7
1163 - Leasehold Tax/Arenas	0.0	-2.4	-3.0	-5.4
1018 - Hog Fuel/Tax Exemption	0.0	-1.8	-3.5	-5.3
5199 - Newspaper Publishers/Tax	0.0	-1.6	-2.4	-4.0
5258 - Condos and Townhouses	0.0	-0.9	-2.0	-3.0
1143 - Firearms/Purchase & Transfer	0.0	-1.2	-1.7	-2.9
5084 - Self-Insured Pensions/Fund	0.0	-1.3	-1.3	-2.5
1764 - Asphalt & Agg. Valuation	0.0	-0.7	-0.8	-1.4
5218 - Complex Rehab. Products/Tax	0.0	-0.6	-0.7	-1.3
5634 - Problem Gambling	0.0	-0.6	-0.7	-1.2
5096 - Employee Ownership	0.0	-0.2	-0.9	-1.1
1240 - Firearms/Assault Weapons	0.0	-0.4	-0.4	-0.8
5166 - Cooperative Finance Org. B&O	0.0	-0.3	-0.4	-0.7
5447 - Alternative Jet Fuel	0.0	0.0	-0.3	-0.3
1756 - Energy/Tax	0.0	0.0	-0.3	-0.3
1534 - Construction Consumers	0.0	0.6	0.1	0.7
1254 - Periodic Adjustments/DOR	0.0	1.6	-0.8	0.8
5001 - Public Facility Districts	0.0	0.3	0.5	0.9
1742 - Nontax Statutes/DOR	0.0	28.2	29.8	58.0
1850 - Hospital Safety Net Program	0.0	54.2	74.8	129.0
<b>TOTAL</b>	<b>0.0</b>	<b>56.7</b>	<b>49.5</b>	<b>106.3</b>

## Savings or Decreases

### **AUTO THEFT PREVENTION AUTHORITY ACCOUNT – \$8.0 MILLION NGF-O (2023-25); \$8.1 MILLION NGF-O (2025-27)**

Substitute House Bill 1682 (Auto theft authority account) requires the Office of the State Treasurer to annually deposit \$7.0 million of the insurance premium tax into the Washington Auto Theft Prevention Authority Account; and discontinues deposits from the traffic infraction surcharge to the Washington Auto Theft Prevention Authority Account.

### **EXTENDING THE TAX EXEMPTIONS FOR FOOD PROCESSORS – NO IMPACT (2023-25); \$13.6 MILLION NGF-O (2025-27)**

House Bill 1573 (Dairy, etc. tax preferences) extends the expiration date of business and occupation tax exemptions for dairy, fruit, vegetable, and seafood processors from July 1, 2025, to July 1, 2035.

### **FACILITATING MUNICIPAL ANNEXATIONS - \$1.7 MILLION NGF-O (2023-25); \$10 MILLION NGF-O (2025-27)**

Second Substitute House Bill 1425 (Municipal annexations) reinstates the annexation sales and use tax and changes population thresholds for imposing the sales and use tax for annexed areas.

### **EXCISE TAX EXEMPTION FOR SENIOR LIVING MEALS – \$3.5 MILLION NGF-O (2023-25); \$4.2 MILLION NGF-O (2025-27)**

Substitute House Bill 1431 (Senior living meals/tax) exempts meals furnished to tenants of senior living communities as part of their rental agreement from excise taxation.

### **TAX EXEMPTION FOR TRIBE OWNED INTERNET PROJECTS – \$3.8 MILLION NGF-O (2023-25); \$1.9 MILLION NGF-O (2025-27)**

Substitute House Bill 1711 (Internet projects/tribes) provides a sales and use tax exemption for labor and materials used in the construction of an internet and telecommunications infrastructure project owned by a federally recognized tribe.

### **LEASEHOLD EXCISE TAX EXEMPTION FOR AREAS – \$2.4 MILLION NGF-O (2023-25); \$3.0 MILLION NGF-O (2025-27)**

Substitute House Bill 1163 (Leasehold tax/arenas) creates a Leasehold Excise Tax (LET) exemption for leasehold interests in the public or entertainment areas of arenas with a seating capacity of at least 4000 and meeting several other requirements; and requires a review of the LET exemption prior to its expiration in 2033 by the Joint Legislative Audit and Review Committee.

### **EXTENDING THE TAX EXEMPTION FOR HOG FUEL – \$1.8 MILLION NGF-O (2023-25); \$3.5 MILLION NGF-O (2025-27)**

House Bill 1018 (Hog fuel/tax exemption) extends the sales and use tax exemption for hog fuel from June 30, 2024, to June 30, 2034.

**TAX EXEMPTION FOR NEWSPAPER PUBLISHERS – \$1.6 MILLION NGF-O (2023-25); \$2.4 MILLION NGF-O (2025-27)**

Engrossed Second Substitute House Bill 5199 (Newspaper publishers/tax) replaces the current preferential business and occupation tax rate of 0.35 percent for newspapers with a 10-year business and occupation tax exemption and provides a 10-year B&O tax exemption for eligible digital content.

**HOMEOWNERSHIP OF CONDOMINIUMS AND TOWNHOUSES – \$920,000 NGF-O (2023-25); \$2.0 MILLION NGF-O (2025-27)**

Engrossed Second Substitute Senate Bill 5258 (Condos and townhouses) adds additional requirements for construction defect actions; clarifies reliance on express warranties related to developers of condominiums subject to the Washington Uniform Common Interest Ownership Act; modifies deposit requirements and local government planning related to the construction of condominiums; and exempts certain sales of condominium units and townhouses from the real estate excise tax; creates the Down Payment Assistance Account and specifies that moneys in the account may only be used for payment towards down payment assistance loans offered by the Washington State Housing Finance Commission for persons purchasing a condominium or townhouse; and requires the Legislature to appropriate from the state general fund to the Down Payment Assistance Account an amount equal to the real estate excise tax collected on sales of condominiums or townhouses to persons using a down payment assistance loans offered by the Commission during the previous calendar year.

**REQUIREMENTS FOR THE PURCHASE OR TRANSFER OF FIREARMS – \$1.2 MILLION NGF-O (2023-25); \$1.7 MILLION NGF-O (2025-27)**

Engrossed Second Substitute House Bill 1143 (Firearms/purchase & transfer) provides that a dealer may not transfer any firearm to a purchaser or transferee until completion of a background check; prohibits a dealer from transferring a firearm to a purchaser or transferee unless the person provides the dealer with proof of completion of a recognized firearm safety training program; and updates firearm transfer and background check processes.

**SEPARATE FUND FOR THE PURPOSES OF SELF-INSURED PENSIONS AND ASSESSMENTS – \$1.3 MILLION NGF-O (2023-25); \$1.3 MILLION NGF-O (2025-27)**

Senate Bill 5084 (Self-insured pensions/fund) creates a self-insurance reserve fund for payments from self-insured employers related to workers' compensation pensions and from the overpayments reimbursement fund; makes interest earned on the self-insurance reserve fund part of the fund; allows the State Investment Board to determine any excess amounts in the self-insurance reserve fund and invest the excess amounts; and provides that the second injury fund will receive its proportionate share of earnings in the fund held by the State Treasurer's Office.

**VALUING ASPHALT AND AGGREGATE USED IN PUBLIC ROAD CONSTRUCTION – \$667,000 NGF-O (2023-25); \$754,000 NGF-O (2025-27)**

Substitute House Bill 1764 (Asphalt & aggregate valuation) establishes a valuation method for asphalt and aggregates manufactured or extracted by providers of public road construction and adds a public road construction market adjustment of 5 percent.

**TAX EXEMPTION FOR MOBILITY ENHANCING EQUIPMENT – \$580,000 NGF-O (2023-25); \$670,000 NGF-O (2025-27)**

Substitute Senate Bill 5218 (Complex rehabilitation products/tax) exempts from retail sales and use tax certain medically prescribed wheelchairs and seating systems.

**PROBLEM GAMBLING TREATMENT PROGRAM AND FUNDING – \$570,000 (2023-25); \$677,000 (2025-27)**

Engrossed Second Substitute Senate Bill 5634 (Problem gambling) expands the scope of the Problem and Pathological Gambling Treatment Program at the Health Care Authority; establishes the Advisory Committee on Problem Gambling to be an ongoing entity that meets on a quarterly basis; and increases the rates of transfers and taxes into the Problem Gambling Account.

**EMPLOYEE OWNERSHIP PROGRAM AND TAX CREDIT – \$229,000 NGF-O (2023-25); \$852,000 NGF-O (2025-27)**

Substitute Senate Bill 5096 (Employee ownership) creates the Washington Employee Ownership Program at the Department of Commerce to offer technical support, and other services, to certain businesses considering certain employee ownership structures; forms the Washington Employee Ownership Commission to oversee the program; and provides a business and occupation tax credit for costs related to converting a qualifying business to an employee ownership structure.

**REGULATION OF FIREARMS & ASSAULT WEAPONS – \$400,000 NGF-O (2023-25); \$400,000 NGF-O (2025-27)**

Substitute House Bill 1240 (Firearms/assault weapons) prohibits the manufacture, importation, distribution, sale, or offer for sale of any assault weapon, subject to various exceptions for licensed firearm manufacturers and dealers, and for individuals who inherit an assault weapon and provides that a violation constitutes a gross misdemeanor and is actionable under the Consumer Protection Act.

**BUSINESS & OCCUPATION TAX FOR COOPERATIVE FINANCE ORGANIZATIONS – \$347,000 NGF-O (2023-25); \$360,000 NGF-O (2025-27)**

Senate Bill 5166 (Cooperative finance organizations, business and occupation tax) reauthorizes the business and occupation tax deduction for loan repayments received by cooperative finance organizations from rural electric cooperatives or other utility nonprofit or governmental utility providers.

**PROMOTING THE ALTERNATIVE JET FUEL INDUSTRY IN WASHINGTON – NO NGF-O IMPACT (2023-25); \$340,000 NGF-O (2025-27)**

Engrossed Substitute Senate Bill 5447 (Alternative jet fuel) requires the Department of Ecology to allow one or more carbon intensity pathways for alternative jet fuel by no later than December 31, 2023; codifies the Alternative Jet Fuels Work Group; creates a preferential business and operation tax rate of 0.275 percent for the manufacturing and wholesaling of alternative jet fuels; and establishes a business and operation and public utilities tax credit for certain sales and purchases of alternative jet fuel.

**TAX TREATMENT OF RENEWABLE ENERGY SYSTEMS – NO IMPACT (2023-25); \$328,000 NGF-O (2025-27)**

Substitute House Bill 1756 (Energy/tax) provides a property tax exemption from the state property tax levy for personal property used to generate or store renewable energy and owned by a qualified taxpayer and imposes a production excise tax on the nameplate capacity of qualified renewable energy generating systems.

**Increases**

**CONTRACTOR REGISTRATION FINES – \$615,000 NGF-O (2023-25); \$128,000 NGF-O (2025-27)**

Second Substitute House Bill 1534 (Construction Consumers) increases the fine for failure to register as a contractor from a range of \$1,000 to \$5,000 to a range of \$1,200 to \$10,000.

**UPDATING INFLATIONARY INDEXES – \$1.6 MILLION NGF-O (2023-25); \$806,000 NGF-O DECREASE (2025-27)**

Substitute House Bill 1254 (Periodic adjustments/DOR) updates and clarifies how the Department of Revenue annually adjusts certain statutory values and tax rates.

**PUBLIC FACILITY DISTRICTS CREATED BY MULTIPLE CITY OR COUNTY LEGISLATIVE AUTHORITIES – \$342,000 NGF-O (2023-25); \$545,000 NGF-O (2025-27)**

Engrossed Second Substitute Senate Bill 5001 (Public facility districts) allows the legislative authority of certain local jurisdictions, each of which participated in the creation of a public facilities district (PFD), to create an additional PFD; authorizes the PFD to construct, remodel, and operate regional aquatics and sports facilities, and transportation improvements directly associated with the facilities; and allows the PFD to impose a voter-approved local sales and use tax at a rate of not more than 0.2 percent.

**UNCLAIMED PROPERTY & BUSINESS LICENSING SERVICE PROGRAMS - \$28.2 MILLION NGF-O (2023-25); \$29.8 MILLION (2025-27)**

House Bill 1742 (Nontax statutes/DOR) authorizes the Department of Revenue to waive a delinquency fee for late business license renewals; waive a late penalty fee for businesses reporting unclaimed property; and enter into settlement agreements with unclaimed property holders.

**PREMIUM TAX & HOSPITAL SAFETY NET ASSESSMENT – \$54.2 MILLION NGF-O (2023-25); \$74.8 MILLION NGF-O (2025-27)**

Substitute House Bill 1850 (Hospital safety net program) changes the Hospital Safety Net Assessment (HSNA) to the Hospital Safety Net Program; changes how hospitals are assessed from non-Medicare bed days to non-Medicare patient revenue; includes an assessment on both inpatient and outpatient services; creates a Medicaid directed payment program for designated public hospitals; changes the amounts of payments to hospitals from the HSNA Fund; and increases the amount of assessment dollars the state may use in lieu of state general fund payments for Medicaid hospital services, designating a part for post-acute hospital transitions.