



Enhanced Food Fish



82.27.010(1) - Tuna, mackerel & jack

Description Tuna, mackerel and jack fish are exempt from the enhanced food fish tax.

Purpose The enhanced food fish tax helps support continued production of game fish in the state. State fish hatchery programs do not raise tuna, mackerel and jack fish and these fish are exempt from the tax.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.562	\$0.562	\$0.562	\$0.562
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.515	\$0.562	\$0.562
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will be flat due to the erratic nature of fish tax collections
- The tax rate is the rate for Other Food Fish at 2.25% of taxable value
- The taxable value is the average of tuna and mackerel annual harvests for 2012, 2013, and 2014
- There are no jack fish harvests
- Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date

Data Sources

Department of Fish and Wildlife fishery harvest data

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1995
Primary Beneficiaries:	Tuna, mackerel, and jack fish harvesters
Taxpayer Count:	200
Program Inconsistency:	None
JLARC Review:	JLARC completed an expedited review in 2013

82.27.020(2) - Deduction of one-half of fish tax

Description The enhanced food fish tax is due on the first commercial possession in Washington of qualified fish based upon fair market value. There is a deduction from the purchase price paid for fish subject to the enhanced food fish tax equal to one-half the tax rate based upon the purchase price paid by the purchaser.

Purpose To promote the commercial enhanced food fish industry in Washington.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing this exemption would not increase revenues, but would increase the cost to consumers.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

This deduction does not reduce fish tax liability. It simply allows the purchaser to share one half of the liability with the person who caught the fish.

Data Sources

Not applicable

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1980
Primary Beneficiaries:	Fish Tax Taxpayers
Taxpayer Count:	205
Program Inconsistency:	None
JLARC Review:	Not on JLARC review schedule

82.27.020(4) - Fish tax differential rates

Description The tax on enhanced food fish (including a 7 percent surtax) has different tax rates based on species as follows:

- Chinook, Coho and chum salmon and steelhead, 5.62 percent;
- Pink and sockeye salmon, 3.37 percent;
- Sea urchins, sea cucumbers, 2.247 percent;
- Oysters, 0.09 percent; and
- All other food fish and shellfish, 2.247 percent.

Purpose Reflects market conditions for various types of fish.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$3.562	\$3.562	\$3.562	\$3.562
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption

Repealing the preferential rates would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$3.265	\$3.562	\$3.562
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- This estimate increases all lower tax rates to 5.62 percent
- Taxable amounts remain constant each year
- Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date

Data Sources

Department of Revenue taxpayer database

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1980
Primary Beneficiaries:	Certain Fish and Shellfish Harvesters
Taxpayer Count:	205
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2012

82.27.030(1,3) - Imported frozen or packaged fish

Description	<p>Enhanced food fish tax exemptions are provided for:</p> <ol style="list-style-type: none"> (1) Enhanced food fish originating outside of Washington that enters the state either frozen or packaged for retail sale; and (2) Food fish, shellfish, anadromous game fish, and by-products or parts of food fish shipped from outside of the state into Washington. 															
Purpose	To avoid taxing fish originally landed in another state or packaged and processed for retail sale outside the state.															
Taxpayer savings	<p>(\$ in millions):</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2016</th> <th>FY 2017</th> <th>FY 2018</th> <th>FY 2019</th> </tr> </thead> <tbody> <tr> <td>State Taxes</td> <td>\$7.210</td> <td>\$7.210</td> <td>\$7.210</td> <td>\$7.210</td> </tr> <tr> <td>Local Taxes</td> <td>\$0.000</td> <td>\$0.000</td> <td>\$0.000</td> <td>\$0.000</td> </tr> </tbody> </table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$7.210	\$7.210	\$7.210	\$7.210	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$7.210	\$7.210	\$7.210	\$7.210												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
Repeal of exemption	Repealing this exemption would increase revenues. However, eliminating the exemption might trigger a Commerce Clause or Import-Export Clause challenge.															
Potential revenue gains from full repeal	<p>(\$ in millions):</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2016</th> <th>FY 2017</th> <th>FY 2018</th> <th>FY 2019</th> </tr> </thead> <tbody> <tr> <td>State Taxes</td> <td>\$0.000</td> <td>\$6.609</td> <td>\$7.210</td> <td>\$7.210</td> </tr> <tr> <td>Local Taxes</td> <td>\$0.000</td> <td>\$0.000</td> <td>\$0.000</td> <td>\$0.000</td> </tr> </tbody> </table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$6.609	\$7.210	\$7.210	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
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Assumptions	<ul style="list-style-type: none"> - The growth rate will be flat due to the erratic nature of fish tax collections - Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date 															
Data Sources	<ul style="list-style-type: none"> - Department of Revenue excise tax data - Washington IMPLAN data 															
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Primary Beneficiaries:	Fish Processors/Wholesalers/Retailers															
Taxpayer Count:	5,500															
Program Inconsistency:	None															
JLARC Review:	JLARC completed an expedited review in 2011															

82.27.030(2) - Commercially grown fish & shellfish

Description There is an enhanced food fish tax exemption for food fish and shellfish raised from eggs and grown by agricultural methods.

Purpose To avoid taxing commercially produced fish and shellfish.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$6.109	\$6.109	\$6.109	\$6.109
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$5.600	\$6.109	\$6.109
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- The growth rate will be flat due to the erratic nature of fish tax collections
- The percentage breakdown by species will mirror the taxpayer-reported amounts for fish tax in Fiscal Year 2014
- Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date

Data Sources

- United States Department of Agriculture Aquaculture Sales Statistics
- Department of Revenue excise tax data

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1980
Primary Beneficiaries:	Fish Farms
Taxpayer Count:	122
Program Inconsistency:	None
JLARC Review:	JLARC completed a full review in 2015

82.27.040 - Taxes paid in other states

Description There is an enhanced food fish tax credit for any fish tax previously paid on that same enhanced food fish to any other legally established taxing authority.

Purpose To eliminate double taxation on the same fish.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.194	\$0.194	\$0.194	\$0.194
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.178	\$0.194	\$0.194
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Fish tax credit will stay constant each year
- Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date

Data Sources

Department of Revenue Fiscal Year 2014 credit data

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1980
Primary Beneficiaries:	Fish Harvesters
Taxpayer Count:	205
Program Inconsistency:	None
JLARC Review:	JLARC completed an expedited review in 2011