



*"Working together to  
fund Washington's future"*

# Research & Fiscal Analysis – Projecting into the Future

December 2021

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# Outline

## Fiscal notes and estimates

- Comparing current law to the bill/proposal's change to the law
- Project out 6 years or 10 years

	Code	Fund	Source	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
▶	001	GF-State	Business and Occupat...	(\$33,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)
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## Mostly we look at the impact to forecasted revenue

- Economic and Revenue Forecast Council (ERFC) forecasts revenues
  - <https://erfc.wa.gov/publications#quarterly-updates>
  - By law, ERFC has a relationship with the Department “... share information, ... but may not duplicate duties and functions...” (RCW 82.33.020(4))

## Example: B&O Tax Rate Change for Hospitals

*This is a fully fictional example to demonstrate how the Department projects estimates to future years.*

### *Estimation Approach:*

- Hospitals file on a separate line of the Combined Excise Tax Return (making them easy for the Department's analysts to identify).
- Analyst reviews information from the ERFC reports and data to find the best forecast to use to project current taxable amounts into the future.
- Analyst then applies the old and new tax rates to the projected taxable amounts and take the difference between the two to estimate the change in revenues.

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# Questions

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