



## **COMPARATIVE STATE & LOCAL TAXES**

### **Fiscal Year 2011**

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# COMPARATIVE TAXES 2011

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## **INTRODUCTION**

Tax researchers and decision makers have shown considerable interest in Washington's relative tax position among the states. The best source of comparative tax information for all state and local governments is compiled annually by the U.S. Census Bureau. These figures covering Fiscal Year 2010-2011 were posted to the [Census Bureau Internet](#) site in September 2013.

For Fiscal Year 2011, state and local taxes in Washington State equaled \$28.4 billion. This figure includes all state and local taxes, according to the definitions used by the Census Bureau. The majority of Washington's taxes – \$17.4 billion – went to state government, while \$11.0 billion was attributable to local jurisdictions. The latest state/local tax figures used for this report cover the fiscal year which ended on June 30, 2011. State tax receipts in Fiscal Year 2011 were approximately 8 percent higher than Fiscal Year 2010.

Taxes are defined to include compulsory payments which are not related to particular governmental services; that is, tax liability is independent from the benefit taxpayers receive from government operations. Instead, taxes are determined by other measures such as income, purchases, and property values. However, license fees are included by the Census Bureau in the tax collection data, even though these receipts are associated with specific rights or privileges. Tax revenues are the source of funding for general programs over which legislatures typically have the most discretion in terms of spending, since nontax revenue sources are often dedicated to specific programs.

Examples of revenues excluded from the tax category are sales of commodities and services directly benefiting individuals (e.g., utility charges, tuitions, and fees). Also, enterprise revenues from liquor sales and utility operations are omitted. Required payments for unemployment and workmen's compensation programs are other significant exclusions; these are not considered general tax revenues because they are earmarked to provide assistance to employees who are laid off from work or injured while on the job.

Tax burdens can be measured in several ways. Each approach has its own merits and is suited to a particular purpose. The two primary methods used in this report are the amount of taxes in relation to personal income and in relation to population.

## **TAXES PER \$1,000 PERSONAL INCOME**

Taxes in relation to personal income divides total state and local taxes by total state personal income - a statistic representing the "wealth" of all residents living in each state. For purposes of this report, the latest personal income data for calendar year 2010 (when Fiscal Year 2011 began) compiled by the BEA is used. The calendar year 2010 total for Washington was \$287.1 billion.

Taxes in relation to personal income produces a Fiscal Year 2011 Washington tax burden of \$98.95 for each \$1,000 of personal income or about 9.9 percent of personal income in Fiscal Year 2011. By this measure Washington ranks 35th in the nation and 10th among the 13 western states.

Washington's average tax burden remains well below the national average of \$108.3. The reason Washington ranks higher in per capita taxes than for taxes in relationship to personal income is Washington enjoys relatively high per capita personal income.

### **PER CAPITA TAXES**

Per capita tax amounts divide total state and local tax collections for each state by its population. Tax collections include taxes paid by businesses and so may not correspond to what the "average" individual would pay in direct state and local taxes. For the Fiscal Year 2011 calculations, this report uses September 2012 U.S. Bureau of Economic Analysis (BEA) population reports for each state – Washington's population was identified as 6,742,950. This results in a per capita state and local tax amount of \$4,213 which is slightly below the national average of \$4,335 and gives Washington a ranking among the 50 states of 21st for Fiscal Year 2011.

### **TAXES AS A PERCENT OF GROSS STATE PRODUCT**

Taxes in relation to Gross State Product (GSP) divides total state and local taxes by total state GSP – a measure of the economic output of each state. GSP figures for 2011 are available from the BEA. The calendar year 2011 GSP total for Washington was \$355.1 billion. Taxes as a percent of GSP for Washington were 8.0 percent and Washington ranked 37th nationally.

### **ANALYSIS OF TAX BURDEN**

Both the per capita and the personal income approach are based on total state and local tax collections obtained by survey of governmental jurisdictions by the Census Bureau. Taxes include amounts paid by individuals as well as businesses, but there is no accurate way of classifying tax burdens by type of taxpayer for most tax sources. For example, in Washington it is estimated that households pay about 60 percent of total sales tax collections, with the remainder paid by businesses (supplies, nonmanufacturing machinery, construction, etc.), government, and tourists. But exact amounts are not known because vendors do not record the type of purchaser who pays the tax. Similarly, the actual burden of the property tax and other major taxes by taxpayer type is not precisely known in this or other states.

Initial tax burdens may be shifted to other entities. Business taxes are particularly susceptible to shifting, either forward to consumers (increased prices) or backward to owners (reduced earnings) and workers (lower wages). Tax burdens may also be shifted to persons in other states. For example, Alaska typically has a very high tax burden due to its petroleum tax revenues. However, consumers in many other states pay a portion of this tax, which is included in the price of oil delivered via Alaska's pipeline.

In the 1960's, state and local tax burdens of about \$115 per \$1,000 of personal income were typical for Washington, and the state usually ranked about 18th among all states. In the 1970's, growth in consumer expenditures exceeded the rate of income growth due to strong demand for housing and durable goods. The result was a high tax burden, reaching \$127 in 1978.

During the recession of 1981-82, the percentage of personal income devoted to taxable retail purchases - a major driver of Washington tax revenues - dropped from over 70 percent to less than 60 percent in just two years. Also contributing to the reduction in Washington tax revenues

was the exemption of food from sales tax in 1978, limitation of local special school levies, extension of the 106 percent limit on property taxes to the state levy, and repeal of the state's inheritance tax. Personal income continued to grow during most of this period, at least compared with many other states. The increase in income, coupled with reduced tax collections, produced a drop in tax burden for this state to \$100 in 1981 and the lowest-ever ranking of 39th. However, for the remainder of the 1980's, Washington's tax burden returned to the level of about \$115, and rankings of about 16th were common.

In the 1990's, Washington's tax burden by the income measure declined steadily from \$123 in 1995 to \$111.25 in 1999, and the state's ranking dropped from 11th to 20th.

For the last ten years, Washington's tax burden by income has varied from a high of \$111.99 in 2006 to a low of \$93.34 in 2009, with rankings ranging from 26th to 37th. The Fiscal Year 2005 tax burden ranking of 37th was the second lowest since the tax comparisons have been compiled. For the most recent year, Fiscal Year 2011, Washington's tax burden is \$98.95 resulting in a ranking of 35th.

Table 1. State and Local Taxes Per \$1,000 Personal Income  
Fiscal Years 2007 - 2011

State	Amount					Rank				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Alaska	\$188.17	\$347.31	\$206.46	\$204.12	\$231.04	1	1	1	1	1
North Dakota	121.86	135.60	123.22	131.95	163.27	10	4	4	4	2
New York	157.36	149.49	142.85	151.10	154.04	2	3	4	2	3
Wyoming	141.71	151.03	150.49	142.92	145.06	3	2	2	3	4
Vermont	130.97	125.38	118.10	121.69	125.10	5	7	5	6	5
Maine	127.06	128.58	116.58	121.78	124.20	6	6	6	5	6
New Jersey	124.91	123.67	112.14	117.74	118.02	8	8	8	8	7
Minnesota	114.99	114.23	105.35	111.91	117.88	17	18	13	14	8
Wisconsin	117.52	117.63	112.10	116.51	117.85	14	13	9	9	9
West Virginia	117.55	117.83	111.19	112.70	117.58	13	12	10	11	10
California	115.63	118.31	105.32	112.94	116.47	15	11	14	10	11
Connecticut	114.74	119.11	104.54	112.22	115.96	18	10	16	12	12
Hawaii	133.64	128.93	115.55	120.46	115.70	4	5	7	7	13
Rhode Island	117.74	115.07	108.02	112.18	114.63	12	16	11	13	14
Delaware	109.85	107.49	100.28	103.94	114.11	25	25	26	22	15
Illinois	109.04	108.47	102.39	102.21	110.25	27	23	20	27	16
Iowa	108.85	108.36	102.89	106.27	108.90	29	24	19	18	17
Ohio	117.88	115.14	104.87	107.13	108.11	11	15	15	17	18
Pennsylvania	113.02	111.54	101.21	105.55	108.08	21	20	23	19	19
Nebraska	113.53	111.93	101.33	105.16	107.42	20	19	22	21	20
Massachusetts	105.32	105.37	96.12	103.10	106.54	37	31	32	24	21
Kansas	115.21	114.38	100.98	105.36	105.42	16	17	25	20	22
Michigan	110.81	109.58	102.33	107.60	105.36	23	22	21	16	23
New Mexico	125.83	122.61	103.89	99.24	105.16	7	9	17	33	24
Indiana	102.01	107.33	106.51	108.28	104.78	41	26	12	15	25
Arkansas	110.65	105.00	99.86	102.51	104.22	24	34	27	26	26
Kentucky	108.32	107.09	99.33	99.80	103.45	30	27	28	30	27
Nevada	106.77	100.74	95.88	103.38	102.30	34	38	33	23	28
Maryland	107.07	104.59	97.13	102.73	102.27	33	35	30	25	29
Colorado	95.85	95.53	86.82	99.77	102.21	46	44	45	31	30
Oregon	100.03	93.94	88.50	96.88	100.90	43	45	42	35	31
North Carolina	108.96	105.08	95.15	101.48	100.80	28	33	34	28	32
Mississippi	107.62	106.74	98.66	101.05	100.53	31	28	29	29	33
Utah	113.64	110.63	96.31	95.83	100.46	19	21	31	37	34
WASHINGTON	109.25	105.49	93.24	96.08	98.95	26	30	35	36	35
Montana	107.41	106.17	101.19	97.05	98.84	32	29	24	34	36
Louisiana	122.76	116.07	103.85	99.46	98.75	9	14	18	32	37
Arizona	112.75	105.16	91.18	91.15	97.72	22	32	38	41	38
Texas	99.53	98.37	89.34	95.67	95.32	44	41	40	38	39
Idaho	102.99	100.34	88.99	89.98	93.73	38	39	41	45	40
New Hampshire	88.38	88.30	85.76	89.86	92.54	50	49	47	46	41
Georgia	106.28	101.92	92.44	91.84	92.11	35	37	37	40	42
South Carolina	102.86	93.19	87.67	90.60	91.32	39	46	44	43	43
Florida	105.70	102.81	92.67	94.41	90.61	36	36	36	39	44
Virginia	102.59	98.17	89.88	91.08	90.56	40	42	39	42	45
Oklahoma	100.63	99.40	88.49	90.18	90.20	42	40	43	44	46
Missouri	96.61	95.75	85.97	87.80	88.62	45	43	46	47	47
Alabama	93.17	92.29	83.33	85.49	86.53	47	47	48	49	48
Tennessee	92.32	90.11	81.51	85.59	85.86	48	48	49	48	49
South Dakota	90.04	86.10	79.32	83.72	83.50	49	50	50	50	50
U.S. Average	\$113.32	\$111.99	\$102.10	\$106.54	\$108.31					

Source: Bureau of Economic Analysis and Census Bureau, U.S. Dept. of Commerce.

**Chart 1. State and Local Taxes Per \$1,000 Personal Income**  
 Fiscal Year 2011

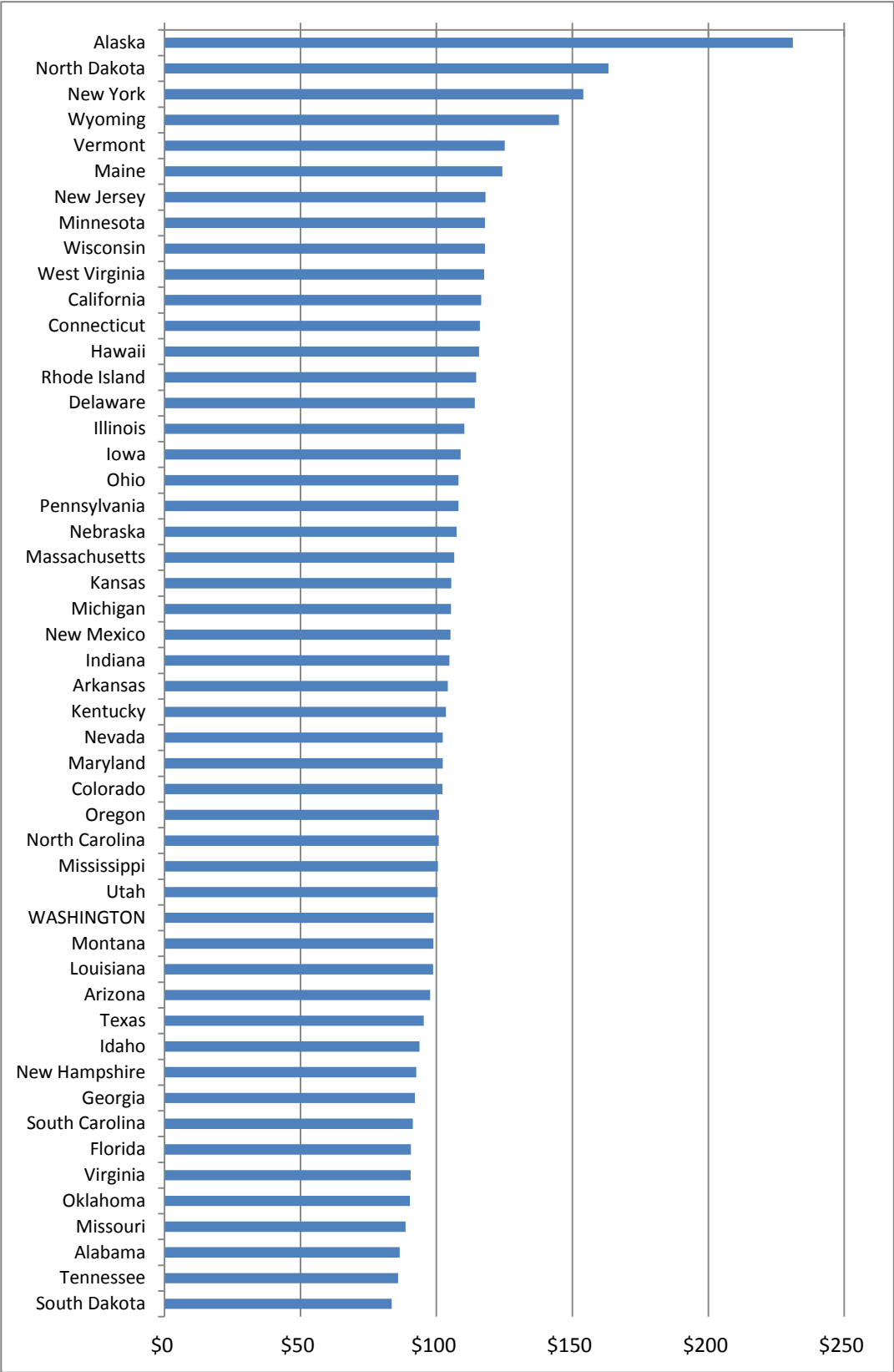


Table 2  
 State & Local Taxes Per \$1,000 Personal Income  
 Thirteen Western States - Fiscal Year 2011

State	Amount	National Rank	Western Rank
Alaska	\$231.04	1	1
Wyoming	\$145.06	4	2
California	\$116.47	11	3
Hawaii	\$115.70	13	4
New Mexico	\$105.16	24	5
Nevada	\$102.30	28	6
Colorado	\$102.21	30	7
Oregon	\$100.90	31	8
Utah	\$100.46	34	9
<b>WASHINGTON</b>	<b>\$98.95</b>	<b>35</b>	<b>10</b>
Montana	\$98.84	36	11
Arizona	\$97.72	38	12
Idaho	\$93.73	40	13



Table 3. Washington Taxes Per \$1,000 Personal Income  
State, Local and Total Taxes for Past Ten Years

Fiscal Year	<u>State Taxes</u>		<u>Local Taxes</u>		<u>Combined Total</u>	
	Amount	Rank	Amount	Rank	Amount	Rank
2011	\$60.64	30	\$38.31	32	\$98.95	35
2010	57.80	32	38.28	33	96.08	36
2009	56.70	33	36.54	32	93.24	35
2008	66.27	28	39.22	29	105.49	30
2007	70.20	24	39.05	29	109.25	26
2006	73.02	22	38.97	31	111.99	28
2005	68.41	27	37.50	34	105.91	37
2004	68.92	21	37.35	33	106.27	29
2003*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
2002	65.30	23	35.60	34	100.90	32

\*Local data fiscal year 2003 was not compiled by the U.S. Census Bureau.

Table 4. Property Taxes Per \$1,000 Personal Income  
Fiscal Years 2008 - 2011

State	FY 2008		FY 2009		FY 2010		FY 2011	
	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
New Hampshire	\$54.39	1	\$55.22	1	\$58.06	2	\$57.79	1
New Jersey	52.21	2	51.22	3	57.02	3	56.65	2
Vermont	50.27	4	52.22	2	55.80	4	54.81	3
Rhode Island	48.72	5	48.23	4	51.14	5	51.29	4
Maine	46.75	6	45.01	6	49.50	6	49.25	5
Wyoming	51.52	3	47.00	5	60.80	1	48.60	6
New York	42.43	9	43.37	8	48.94	7	48.34	7
Alaska	38.12	14	38.88	13	43.62	11	47.29	8
Connecticut	42.90	7	43.56	7	47.17	8	47.02	9
Wisconsin	42.61	8	42.90	9	46.07	9	45.23	10
Illinois	39.94	12	41.06	11	44.59	10	44.75	11
Texas	38.19	13	37.53	14	43.23	13	41.58	12
Michigan	41.12	11	41.06	10	43.31	12	39.60	13
Nebraska	37.05	15	35.74	17	38.66	17	39.58	14
Massachusetts	36.15	17	36.24	16	39.99	15	39.50	15
Colorado	29.82	32	29.17	31	39.04	16	39.02	16
Montana	36.18	16	37.00	15	38.59	18	38.55	17
Iowa	34.92	19	34.14	18	36.99	19	37.62	18
Oregon	31.91	25	31.51	24	36.47	20	36.14	19
Florida	42.41	10	39.90	12	40.51	14	36.01	20
Minnesota	30.65	29	31.06	27	34.34	25	35.95	21
Kansas	35.51	18	33.59	19	36.27	21	35.11	22
California	33.56	20	33.46	20	35.25	24	33.65	23
Pennsylvania	32.03	24	30.23	29	32.05	31	32.19	24
Arizona	32.40	23	31.18	26	33.97	26	32.06	25
South Carolina	30.44	31	29.63	30	32.47	28	31.92	26
Ohio	33.49	21	31.21	25	32.17	30	31.53	27
Virginia	31.72	26	32.20	23	32.84	27	31.27	28
Georgia	30.97	28	30.62	28	32.31	29	30.62	29
South Dakota	29.58	33	27.69	34	30.04	34	30.35	30
WASHINGTON	28.82	34	28.02	33	30.23	33	30.21	31
Nevada	30.60	30	33.30	21	35.65	22	30.15	32
Maryland	25.01	38	24.76	37	30.91	32	29.68	33
Indiana	32.43	22	32.29	22	35.51	23	28.57	34
Utah	26.18	37	25.63	36	26.49	39	28.29	35
Mississippi	26.64	35	25.69	35	28.50	35	27.61	36
Idaho	23.98	41	24.71	38	27.13	36	27.21	37
Missouri	26.40	36	24.69	39	26.55	38	26.52	38
North Carolina	24.90	39	24.46	40	26.59	37	25.84	39
North Dakota	31.61	27	28.64	32	26.10	40	25.31	40
West Virginia	22.69	42	22.68	42	24.02	42	24.09	41
Hawaii	23.98	40	23.80	41	25.43	41	23.32	42
Tennessee	22.15	43	21.41	43	23.60	43	22.96	43
Kentucky	21.03	44	20.45	44	21.48	44	21.34	44
Louisiana	18.35	45	18.63	45	20.82	45	21.02	45
New Mexico	17.79	46	18.21	46	19.68	46	19.81	46
Arkansas	16.32	49	16.78	48	18.78	49	18.99	47
Delaware	17.52	47	17.63	47	19.30	47	18.67	48
Oklahoma	17.05	48	15.95	49	18.98	48	16.70	49
Alabama	15.16	50	14.88	50	16.56	50	16.14	50
U.S. Average	\$34.49		\$34.05		\$37.06		\$35.87	

Table 5. Per Capita Personal Income  
Calendar Years 2009 - 2012

State	2009		2010		2011		2012	
	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Connecticut	53,573	1	54,239	1	56,889	1	58,908	1
Massachusetts	49,816	2	51,302	2	53,621	2	54,687	2
New Jersey	49,568	3	51,167	3	53,181	3	53,628	3
New York	46,699	5	48,450	5	50,545	5	52,095	4
Maryland	47,674	4	49,070	4	51,038	4	51,971	5
North Dakota	39,644	17	42,764	11	45,747	9	51,893	6
Wyoming	43,489	6	44,861	6	47,301	6	48,670	7
Virginia	43,187	8	44,246	7	45,920	7	47,082	8
New Hampshire	42,443	9	43,586	9	45,787	8	47,058	9
Alaska	43,233	7	44,205	8	45,529	10	46,778	10
Minnesota	41,223	13	42,847	10	44,672	11	46,227	11
WASHINGTON	41,795	10	42,570	13	44,294	13	45,413	12
Colorado	41,317	12	42,226	14	44,088	15	45,135	13
Rhode Island	40,706	15	42,095	15	43,992	16	44,990	14
California	41,353	11	42,578	12	44,481	12	44,980	15
Illinois	41,058	14	42,057	16	44,140	14	44,815	16
Hawaii	40,681	16	41,661	17	43,053	17	44,024	17
South Dakota	38,240	23	39,593	22	41,590	21	43,659	18
Pennsylvania	39,420	18	40,599	18	42,478	18	43,616	19
Nebraska	38,657	20	39,674	20	41,584	22	43,143	20
Vermont	38,849	19	40,098	19	41,832	19	42,994	21
Iowa	37,074	25	38,084	26	40,470	24	42,126	22
Delaware	38,626	21	39,664	21	41,635	20	41,940	23
Kansas	38,246	22	39,005	23	40,481	23	41,835	24
Texas	36,458	28	37,706	27	39,593	26	41,471	25
Wisconsin	36,927	26	38,177	25	40,073	25	40,537	26
Florida	37,387	24	38,222	24	39,563	27	40,344	27
Maine	36,058	31	36,717	31	37,973	31	39,481	28
Louisiana	36,157	30	37,021	28	38,578	28	39,413	29
Ohio	35,145	33	36,180	33	37,791	33	39,289	30
Missouri	36,243	29	36,965	29	38,248	29	39,049	31
Oklahoma	34,004	36	35,396	34	37,277	34	39,006	32
Oregon	35,571	32	36,427	32	37,909	32	38,786	33
Tennessee	33,802	38	34,955	37	36,533	36	37,678	34
Michigan	33,514	40	34,691	39	36,533	37	37,497	35
Montana	33,708	39	35,068	35	36,573	35	37,370	36
Nevada	36,519	27	36,919	30	38,173	30	37,361	37
North Carolina	34,108	34	34,977	36	36,164	38	37,049	38
Indiana	33,363	41	34,042	41	35,550	41	36,902	39
Georgia	34,081	35	34,800	38	36,104	39	36,869	40
Arizona	33,957	37	34,553	40	35,875	40	35,979	41
Alabama	32,661	42	33,516	42	34,650	42	35,625	42
New Mexico	32,394	43	33,368	43	34,575	43	35,079	43
Kentucky	31,957	45	32,376	47	33,667	47	35,041	44
Arkansas	31,969	44	32,678	44	34,014	44	34,723	45
Utah	31,886	46	32,473	45	33,790	45	34,601	46
West Virginia	31,075	48	31,999	48	33,513	48	34,477	47
South Carolina	31,646	47	32,460	46	33,673	46	34,266	48
Idaho	31,031	49	31,986	49	33,326	49	33,749	49
Mississippi	30,006	50	31,046	50	32,176	50	33,073	50
U.S. Average	\$38,846		\$39,945		\$41,663		\$42,693	

Table 6. State/Local Taxes Per \$1,000 Personal Income Since 1960

Fiscal Year	State/Local Taxes		Wash. Ranking	Fiscal Year	State/Local Taxes		Wash. Ranking
	Wash.	U.S. Ave.			Wash.	U.S. Ave.	
2011	\$98.95	\$108.31	35	1985	108.47	112.79	25
2010	96.08	106.54	36	1984	112.85	112.97	21
2009	93.24	102.10	35	1983	109.22	106.85	16
2008	105.49	111.99	30	1982	101.80	110.70	34
2007	109.25	113.32	26	1981	100.45	113.05	39
2006	111.99	116.22	28	1980	108.75	115.73	28
2005	105.91	112.94	37				
2004	106.27	110.33	29	1979	121.44	120.29	22
2003	n.a.	n.a.	n.a.	1978	127.34	127.51	17
2002	100.90	103.98	32	1977	122.27	128.05	23
2001	n.a.	n.a.	n.a.	1976	118.68	125.27	25
2000	107.53	112.28	32	1975	120.65	122.84	20
				1974	122.38	123.58	18
1999	111.25	110.48	20	1973	127.97	129.47	19
1998	115.00	111.70	17	1972	128.26	126.94	18
1997	117.49	111.43	11	1971	122.83	118.87	21
1996	119.79	112.99	12	1970	115.33	116.58	24
1995	123.00	116.94	11				
1994	121.24	116.71	15	1969	115.49	112.20	22
1993	117.95	115.62	17	1968	114.70	108.10	18
1992	122.17	115.38	11	1967	112.12	105.50	18
1991	121.75	112.67	9	1966	115.49	106.63	17
1990	122.98	114.84	10	1965	111.84	104.36	20
				1964	109.19	103.52	20
1989	118.76	115.63	16	1963	105.15	96.50	18
1988	117.04	115.62	18	1962	101.74	94.44	16
1987	114.99	114.79	19	1961	100.68	93.86	19
1986	113.89	112.36	16	1960	98.43	90.29	21

Note: The U.S. Census Bureau did not compile local tax collections in 2001 and 2003.

Chart 2. State and Local Taxes Per \$1,000 of Personal Income  
Washington and All States Average 1976 - 2011

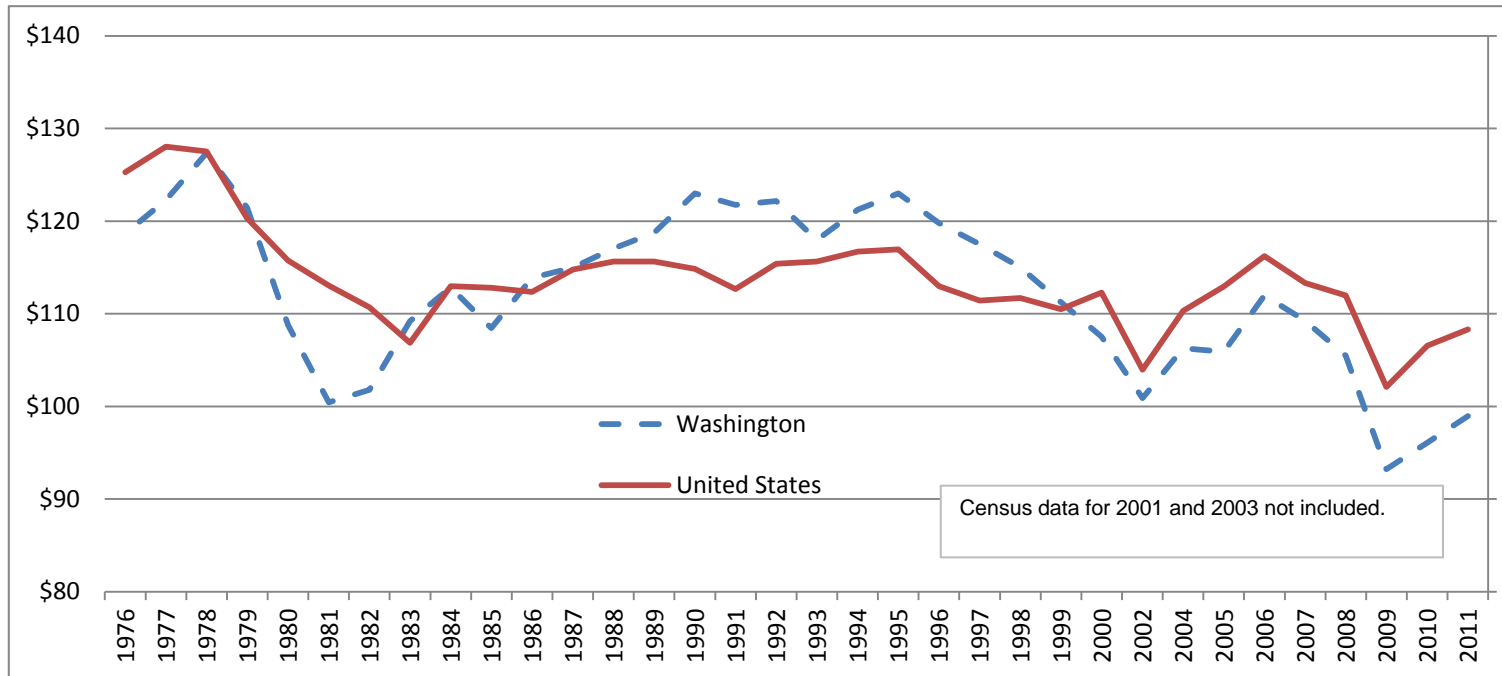


Table 7. State and Local Taxes Per Capita  
Fiscal Years 2008 - 2011

State	FY 2008		FY 2009		FY 2010		FY 2011	
	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Alaska	\$14,147	1	\$9,104	1	\$8,825	1	\$10,211	1
New York	7,103	2	6,934	3	7,056	2	7,462	2
North Dakota	4,948	9	5,123	6	5,231	6	6,981	3
Wyoming	6,930	3	7,432	2	6,215	3	6,507	4
Connecticut	6,599	4	5,995	4	6,012	4	6,366	5
New Jersey	6,209	5	5,848	5	5,836	5	6,040	6
Massachusetts	5,196	7	4,894	8	5,136	7	5,467	7
Minnesota	4,727	11	4,562	12	4,613	12	5,051	8
Maryland	4,887	10	4,733	9	4,898	9	5,019	9
Vermont	4,727	12	4,671	10	4,728	10	5,017	10
California	5,085	8	4,588	11	4,671	11	4,961	11
Rhode Island	4,626	13	4,525	13	4,566	13	4,827	12
Hawaii	5,233	6	4,933	7	4,900	8	4,821	13
Illinois	4,503	14	4,397	14	4,196	16	4,637	14
Maine	4,496	15	4,287	15	4,391	14	4,561	15
Delaware	4,237	20	4,061	20	4,015	22	4,526	16
Wisconsin	4,331	17	4,266	16	4,302	15	4,499	17
Pennsylvania	4,306	18	4,119	17	4,161	17	4,385	18
Colorado	3,979	27	3,731	28	4,122	18	4,317	19
Nebraska	4,213	21	4,092	18	4,065	19	4,262	20
WASHINGTON	4,354	16	4,049	21	4,016	21	4,213	21
Iowa	3,855	29	3,954	23	3,940	23	4,147	22
Kansas	4,246	19	4,070	19	4,030	20	4,112	23
New Hampshire	3,754	31	3,765	27	3,814	25	4,033	24
Virginia	4,196	22	3,992	22	3,933	24	4,007	25
Ohio	4,048	24	3,808	26	3,765	27	3,911	26
Nevada	4,048	23	3,834	25	3,775	26	3,777	27
West Virginia	3,542	36	3,520	33	3,502	32	3,762	28
Oregon	3,313	42	3,261	39	3,446	35	3,676	29
Michigan	3,764	30	3,602	31	3,606	29	3,655	30
Louisiana	4,032	25	3,891	24	3,596	30	3,655	31
Texas	3,554	35	3,480	35	3,488	33	3,595	32
Indiana	3,593	32	3,717	29	3,612	28	3,567	33
North Carolina	3,591	33	3,375	36	3,461	34	3,526	34
New Mexico	3,899	28	3,482	34	3,215	38	3,509	35
Montana	3,562	34	3,577	32	3,271	37	3,466	36
Florida	3,981	26	3,701	30	3,530	31	3,464	37
Arkansas	3,280	44	3,262	38	3,277	36	3,406	38
Arizona	3,538	37	3,130	45	3,095	43	3,377	39
Kentucky	3,302	43	3,213	40	3,189	40	3,348	40
South Dakota	3,107	47	3,145	43	3,202	39	3,305	41
Missouri	3,336	41	3,210	41	3,182	41	3,276	42
Utah	3,436	39	3,135	44	3,056	45	3,263	43
Georgia	3,468	38	3,206	42	3,130	42	3,206	44
Oklahoma	3,379	40	3,319	37	3,066	44	3,194	45
Mississippi	3,133	46	3,049	46	3,032	46	3,121	46
Tennessee	3,045	48	2,841	49	2,893	47	3,001	47
Idaho	3,234	45	2,925	47	2,792	49	2,999	48
South Carolina	2,923	50	2,869	48	2,867	48	2,964	49
Alabama	3,002	49	2,835	50	2,792	50	2,900	50
U.S. Average	\$4,371		\$4,141		\$4,147		\$4,335	

Table 8. State and Local Taxes Per Capita  
Thirteen Western States - Fiscal Year 2011

State	Amount	National Rank	Western Rank
Alaska	\$10,211	1	1
Wyoming	6,507	4	2
California	4,961	11	3
Hawaii	4,821	13	4
Colorado	4,317	19	5
WASHINGTON	4,213	21	6
Nevada	3,777	27	7
Oregon	3,676	29	8
New Mexico	3,509	35	9
Montana	3,466	36	10
Arizona	3,377	39	11
Utah	3,263	43	12
Idaho	2,999	48	13

**Table 9. Washington Taxes Per Capita**  
**State, Local and Total State/Local Taxes for Past Ten Years**

Fiscal Year	<u>State Taxes</u>		<u>Local Taxes</u>		<u>Combined Total</u>	
	Amount	Rank	Amount	Rank	Amount	Rank
2011	\$2,582	19	\$1,631	24	\$4,213	21
2010	2,416	19	1,600	25	4,016	21
2009	2,462	19	1,587	25	4,049	21
2008	2,735	16	1,619	23	4,354	16
2007	2,743	14	1,526	24	4,269	15
2006	2,574	16	1,374	28	3,948	18
2005	2,358	17	1,293	27	3,651	21
2004	2,239	13	1,213	28	3,452	18
2003*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
2002	2,081	13	1,135	25	3,216	16

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\* Local data for fiscal year 2003 was not compiled by U.S. Census Bureau.



Table 10. Per Capita Property Taxes  
Fiscal Years 2008 - 2011

State	FY 2008		FY 2009		FY 2010		FY 2011	
	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
New Jersey	\$2,621	1	\$2,671	1	\$2,826	1	\$2,899	1
Connecticut	2,377	2	2,498	2	2,527	3	2,581	2
New Hampshire	2,313	4	2,424	3	2,464	4	2,519	3
New York	2,007	5	2,105	5	2,285	5	2,342	4
Vermont	1,895	7	2,065	6	2,168	6	2,198	5
Wyoming	2,364	3	2,321	4	2,644	2	2,180	6
Rhode Island	1,959	6	2,020	7	2,082	7	2,160	7
Alaska	1,553	13	1,714	10	1,886	9	2,090	8
Massachusetts	1,783	8	1,845	8	1,992	8	2,027	9
Illinois	1,658	9	1,763	9	1,831	10	1,882	10
Maine	1,635	11	1,655	11	1,785	11	1,809	11
Wisconsin	1,569	12	1,633	12	1,701	12	1,727	12
Colorado	1,242	21	1,253	24	1,613	13	1,648	13
Nebraska	1,395	16	1,443	17	1,494	16	1,571	14
Texas	1,380	17	1,461	14	1,576	14	1,568	15
Minnesota	1,268	20	1,345	20	1,416	21	1,540	16
Maryland	1,168	28	1,206	27	1,474	17	1,456	17
California	1,442	14	1,458	15	1,458	18	1,433	18
Iowa	1,242	22	1,312	22	1,371	23	1,433	19
Virginia	1,356	18	1,430	18	1,418	20	1,384	20
Florida	1,642	10	1,593	13	1,515	15	1,377	21
Michigan	1,412	15	1,445	16	1,451	19	1,374	22
Kansas	1,318	19	1,354	19	1,387	22	1,370	23
Montana	1,214	25	1,308	23	1,301	25	1,352	24
Oregon	1,125	30	1,161	29	1,297	26	1,317	25
Pennsylvania	1,236	23	1,230	25	1,263	28	1,306	26
WASHINGTON	1,189	26	1,217	26	1,264	27	1,286	27
South Dakota	1,067	32	1,098	32	1,149	31	1,201	28
Ohio	1,177	27	1,133	30	1,131	32	1,140	29
Nevada	1,229	24	1,331	21	1,302	24	1,113	30
Arizona	1,032	34	1,071	33	1,153	30	1,108	31
North Dakota	1,154	29	1,191	28	1,035	34	1,082	32
Georgia	1,054	33	1,062	34	1,101	33	1,066	33
South Carolina	955	36	970	36	1,028	36	1,036	34
Missouri	920	37	922	37	962	37	980	35
Indiana	1,086	31	1,127	31	1,185	29	973	36
Hawaii	973	35	1,016	35	1,034	35	972	37
Utah	813	39	834	39	845	40	919	38
North Carolina	851	38	867	38	907	38	904	39
Idaho	773	41	812	40	842	41	871	40
Mississippi	782	40	794	41	855	39	857	41
Tennessee	748	42	746	42	798	42	802	42
Louisiana	638	46	698	45	753	43	778	43
West Virginia	682	44	718	43	746	44	771	44
Delaware	691	43	714	44	746	45	740	45
Kentucky	648	45	662	46	686	46	691	46
New Mexico	566	48	611	47	638	48	661	47
Arkansas	510	49	548	49	600	49	621	48
Oklahoma	580	47	598	48	645	47	591	49
Alabama	493	50	506	50	541	50	541	50
U.S. Average	\$1,346		\$1,381		\$1,442		\$1,436	

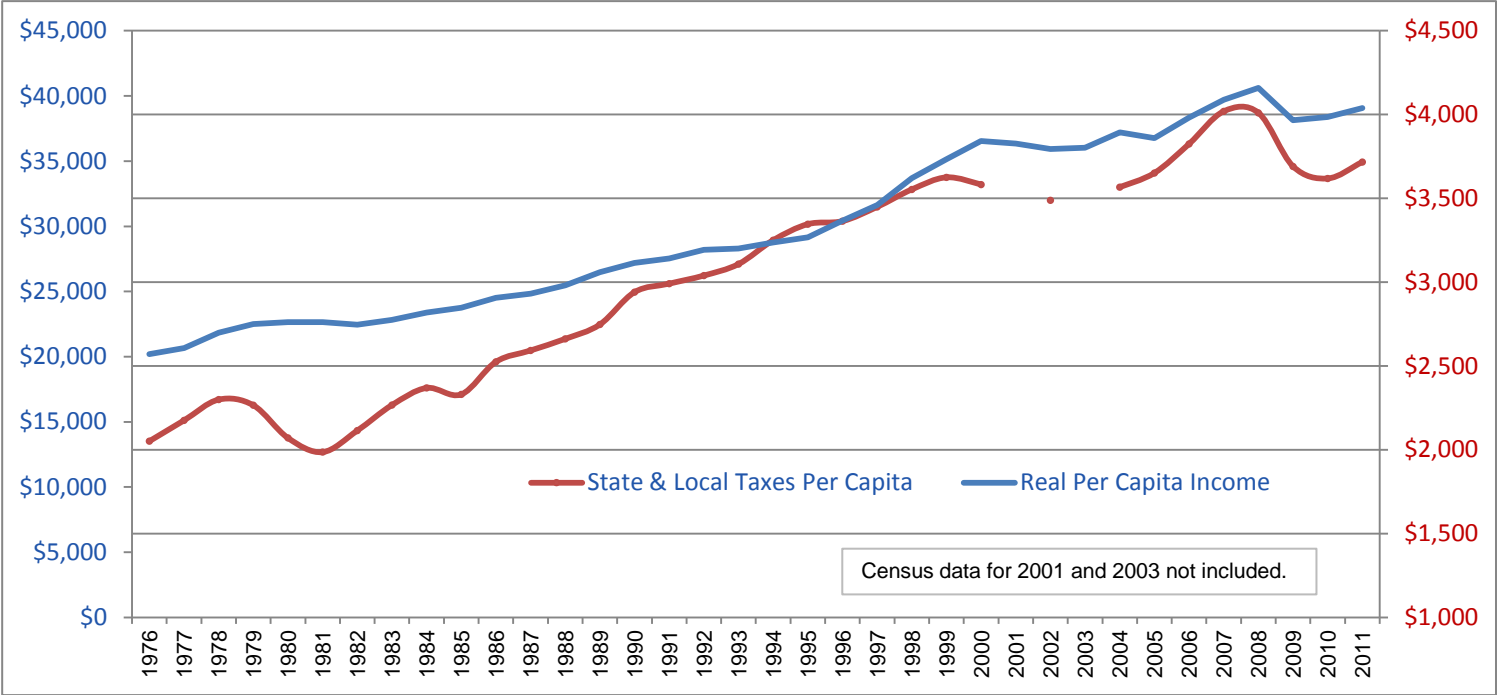
Table 11. Per Capita State and Local Sales Taxes  
Fiscal Year 2011

State	General Sales Taxes [1]		Selective Sales Taxes [2]		Total Sales and Gross Receipts Taxes	
	Amount	Rank	Amount	Rank	Amount	Rank
WASHINGTON	\$1,915	1	\$686	7	\$2,601	1
Hawaii	1,831	3	760	3	2,591	2
Wyoming	1,856	2	285	50	2,140	3
Nevada	1,197	12	873	2	2,071	4
Louisiana	1,442	4	583	17	2,025	5
North Dakota	1,338	7	609	13	1,947	6
New York	1,238	11	664	9	1,902	7
South Dakota	1,344	6	452	29	1,796	8
New Mexico	1,354	5	384	38	1,738	9
Tennessee	1,281	9	444	31	1,725	10
Florida	1,121	14	598	15	1,719	11
Arkansas	1,249	10	458	27	1,708	12
Texas	1,079	15	545	21	1,624	13
Minnesota	897	26	707	5	1,604	14
Arizona	1,282	8	321	47	1,603	15
California	1,074	16	511	23	1,585	16
Connecticut	910	25	635	11	1,545	17
Kansas	1,149	13	378	42	1,527	18
Vermont	535	45	938	1	1,474	19
Mississippi	1,000	19	456	28	1,455	20
Colorado	1,035	18	381	41	1,415	21
Pennsylvania	754	37	658	10	1,412	22
Rhode Island	783	33	627	12	1,411	23
West Virginia	653	43	755	4	1,408	24
Alabama	830	30	560	19	1,391	25
Indiana	966	20	419	34	1,385	26
Illinois	708	39	672	8	1,380	27
Iowa	951	22	427	33	1,379	28
Oklahoma	1,042	17	335	45	1,377	29
New Jersey	926	23	446	30	1,371	30
Michigan	960	21	376	43	1,335	31
Nebraska	924	24	392	37	1,316	32
North Carolina	866	29	418	35	1,284	33
Maine	761	35	512	22	1,273	34
Maryland	674	41	599	14	1,272	35
Wisconsin	780	34	488	24	1,268	36
Utah	880	27	381	39	1,260	37
Ohio	823	32	436	32	1,259	38
Kentucky	666	42	591	16	1,258	39
Missouri	826	31	399	36	1,225	40
Georgia	880	28	316	48	1,195	41
Massachusetts	751	38	370	44	1,120	42
Idaho	756	36	289	49	1,045	43
Virginia	558	44	470	25	1,028	44
South Carolina	679	40	332	46	1,011	45
Alaska	468	46	469	26	937	46
New Hampshire	0	50	687	6	687	47
Delaware	0	48	562	18	562	48
Montana	0	49	547	20	547	49
Oregon	0	47	381	40	381	50

[1] Includes retail sales taxes that apply to most goods and gross receipts taxes measured by sales (e.g., Washington's B&O tax), per Census Bureau classifications which do not separate general sales taxes from gross receipts taxes.

[2] Specific taxes upon particular items, such as gasoline, alcoholic beverages, tobacco products and public utilities.

Chart 3. State and Local Taxes Per Capita  
 Real Income Per Capita  
 Washington Average 1976 - 2011



**Table 12. Percentage of Reliance on  
Major State and Local Taxes  
Selected States - Fiscal Year 2011**

State	General Sales [1]	Selective Sales [2]	Property	Income	Other [3]
<b>WASHINGTON</b>	48%	17%	32%	---	6%
Oregon	---	11%	39%	42%	8%
Idaho	27%	10%	32%	27%	5%
California	23%	11%	31%	29%	5%
All States	24%	13%	35%	22%	6%

- [1] Includes retail sales/use taxes and gross receipts (B&O) taxes levied on gross sales.
- [2] Includes taxes on specific items, e.g., gasoline, liquor, cigarettes and public utilities.
- [3] Includes motor vehicle licenses and all other taxes.

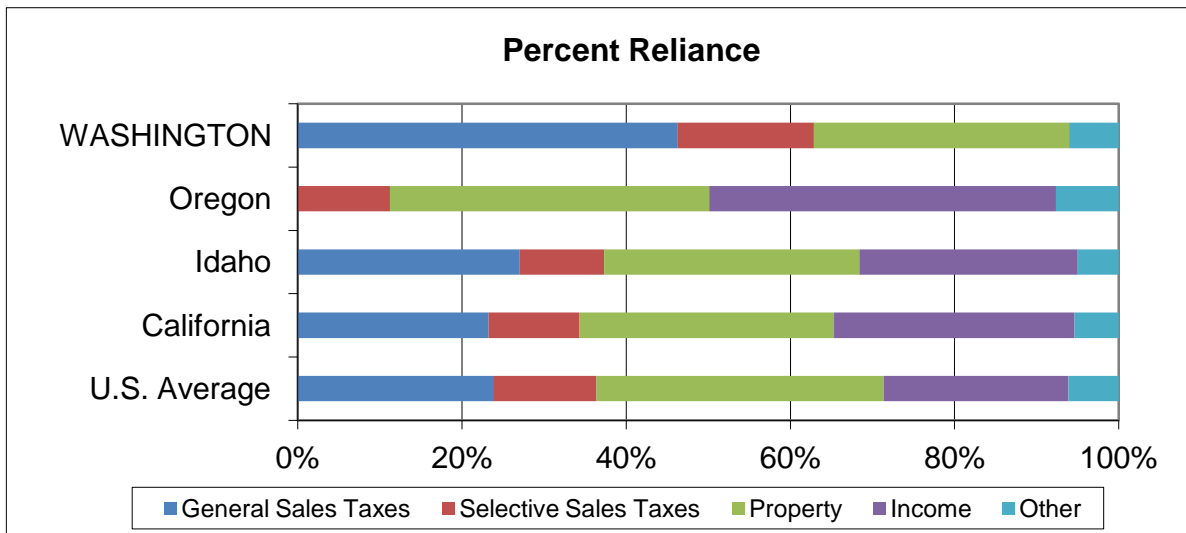


Table 13. 2013 Rates of Selected Major State Taxes

State	Retail Sales		Personal Income <sup>1</sup>			Corporation Income %	Gasoline Per Gal. (cents)	Cigarette Per Pkg. (\$/pack)
	State Rate %	Lowest Bracket	Rate %	Highest Bracket	Rate %			
Alabama	4	1st \$500	2	Over \$3,000	5 <sup>2</sup>	6.5	18 <sup>2</sup>	0.425 <sup>2</sup>
Alaska	--	--	--	--	--	1 to 9.4	8	2.00
Arizona	6.6	1st \$10,000	2.59	Over \$150,000	4.54	6.968	19	2.00
Arkansas	6	1st \$4,099	1	Over \$34,000	7	1 to 6.5 <sup>2</sup>	21.8	1.15
California	7.5	1st \$7,455	1	Over \$500,000	12.3 <sup>2</sup>	8.84	43	0.87
Colorado	2.9	4.63% of federal taxable income				4.63	22	0.84
Connecticut	6.35	1st \$10,000	3	Over \$250,000	6.7	7.5	25	3.40
Delaware	2.2	1st \$5,000	6.75	Over \$60,000	6.75 <sup>2</sup>	8.7	23	1.60
Florida	6	--	--	--	--	5.5	16.9 <sup>2</sup>	1.339
Georgia	4	1st \$750	1	Over \$7,000	6	6	19.5	0.37
Hawaii	4	1st \$2,400	1.4	Over \$200,000	11	4.4 to 6.4	17 <sup>2</sup>	3.20
Idaho	6	1st \$1,338	1.6	Over \$10,350	7.4	7.4	26	0.57
Illinois	6.25	5% of taxable income				9.5	20.1 <sup>2</sup>	1.98 <sup>2</sup>
Indiana	7	3.4% of adjusted gross income <sup>2</sup>				8	18	1.98
Iowa	6	1st \$1,469	0.36	Over \$67,230	8.98	6 to 12	22	1.36
Kansas	6.3	1st \$15,000	3		4.9	4 <sup>2</sup>	25.03	0.79
Kentucky	6	1st \$3,000	2	Over \$75,000	6 <sup>2</sup>	4 to 6 <sup>2</sup>	29.9	0.60
Louisiana	4	1st \$12,500	2	Over \$50,000	6	4 to 8	20.125	0.36
Maine	5	1st \$5,200	0	Over \$20,900	8.5	3.5 to 8.93	30	2.00
Maryland	6	1st \$1,000	2	Over \$250,000	5.75 <sup>2</sup>	8.25	23.5	2.00

Sources: Federation of Tax Administrators; "State Tax Guide," Commerce Clearing House, Inc.;

Energy Information Administration; Research Institute of America (RIA); state revenue agency web sites

NOTE: This table is intended only as a general guide. Tax rates may change frequently, and some changes are only in effect temporarily. Also, there may be differences of interpretation whether a tax is considered as a state tax or a state-collected local tax and whether a rate has been implemented or merely authorized.

Tax rates generally reflect those in effect as of January 1, 2013.

Table 13. 2013 Rates of Selected Major State Taxes

State	Retail Sales		Personal Income <sup>1</sup>			Corporation Income %	Gasoline Per Gal. (cents)	Cigarette Per Pkg. (\$/pack)
	State Rate %	Lowest Bracket	Rate %	Highest Bracket	Rate %			
Massachusetts	6.25	5.3% of taxable income				8	21	2.51
Michigan	6	4.25% of adjusted gross income <sup>2</sup>				6	19	2.00
Minnesota	6.875	1st \$24,270	5.35	Over \$79,730	7.85	9.8	28.6	1.23
Mississippi	7	1st \$5,000	3	Over \$10,000	5	3 to 5	18.4	0.68
Missouri	4.225	1st \$1,000	1.5	Over \$9,000	6 <sup>2</sup>	6.25	17.3	0.17 <sup>2</sup>
Montana	--	1st \$2,700	1	Over \$16,400	6.9	6.75	27	1.70
Nebraska	5.5	1st \$2,400	2.46	Over \$27,001	6.84	5.58 to 7.81	25.5	0.64
Nevada	6.85	--	--	--	--	--	23.805	0.80
New Hampshire	--	Interest and dividends - 5%				8.5	19.625	1.68
New Jersey	7	1st \$20,000	1.4	Over \$500,000	8.97 <sup>2</sup>	9	14.5	2.70 <sup>2</sup>
New Mexico	5.125	1st \$5,500	1.7	Over \$16,000	4.9	4.8 to 7.6	18.875	1.66
New York	4	1st \$8,200	4	Over \$1.029 million	8.82 <sup>2</sup>	7.1 <sup>2</sup>	26.6	4.35 <sup>2</sup>
North Carolina	4.75	1st \$12,750	6	Over \$60,000	7.75	6.9	37.75	0.45
North Dakota	5	1st \$36,250	1.51	Over \$398,350	3.99	1.68 to 5.15	23	0.44
Ohio	5.5	1st \$5,200	0.587	Over \$208,500	5.925 <sup>2</sup>	--	28	1.25
Oklahoma	4.5	1st \$1,000	0.5	Over \$8,701	5.25	6	17	1.03
Oregon	--	1st \$3,250	5	Over \$125,000	9.9 <sup>2</sup>	6.6 - 7.8 <sup>2</sup>	30 <sup>2</sup>	1.18
Pennsylvania	6	3.07% of taxable income <sup>2</sup>				9.99 <sup>2</sup>	31.2	1.60
Rhode Island	7	1st \$58,600	3.75	Over \$133,250	5.99	9	33	3.50
South Carolina	6	1st \$2,850	0	Over \$14,250	7	5	16.75	0.57

Sources: Federation of Tax Administrators; "State Tax Guide," Commerce Clearing House, Inc.;

Energy Information Administration; Research Institute of America (RIA); state revenue agency web sites

NOTE: This table is intended only as a general guide. Tax rates may change frequently, and some changes are only in effect temporarily. Also, there may be differences of interpretation whether a tax is considered as a state tax or a state-collected local tax and whether a rate has been implemented or merely authorized.

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State	Retail Sales		Personal Income <sup>1</sup>			Corporation Income %	Gasoline Per Gal. (cents)	Cigarette Per Pkg. (\$/pack)
	State Rate %	Lowest Bracket	Rate %	Highest Bracket	Rate %			
South Dakota	4	--	--	--	--	--	24 <sup>2</sup>	1.53
Tennessee	7	Interest and dividends - 6%				6.5	21.4	0.62 <sup>2</sup>
Texas	6.25	--	--	--	--	--	20	1.41
Utah	5.95	5.0% of taxable income				5	24.5	1.70
Vermont	6	1st \$35,350	3.55	Over \$388,350	8.95	6.0 to 8.5	26.68	2.62
Virginia	5 <sup>4</sup>	1st \$3,000	2	Over \$17,000	5.75	6	17.5 <sup>2</sup>	0.30 <sup>2</sup>
Washington	6.5	--	--	--	--	--	37.5	3.025
West Virginia	6	1st \$10,000	3	Over \$60,000	6.5	7	34.7	0.55
Wisconsin	5	1st \$10,570	4.6	Over \$232,660	7.75	7.9	32.9	2.52
Wyoming	4	--	--	--	--	--	14	0.60

[1] Generally the brackets indicated apply to single taxpayers, but most states double the brackets for joint filers.

[2] Local units of government may impose additional taxes.

[3] Alaskan cities and boroughs may impose sales taxes ranging from 2% to 7%.

[4] Includes statewide mandatory local sales tax of 1.0%.

Table 14. Utilization of Retail Sales and Income Taxes, 2013

State	Retail Sales Tax		Corporate Net Income Tax	Personal Income Tax	
	State	Local		Broad-based	Interest/Dividends Only
Alabama	X	X	X	X	
Alaska		X	X		
Arizona	X	X	X	X	
Arkansas	X	X	X	X	
California	X	X	X	X	
Colorado	X	X	X	X	
Connecticut	X		X	X	
Delaware			X	X	
Florida	X	X	X		
Georgia	X	X	X	X	
Hawaii	X	X	X	X	
Idaho	X	X	X	X	
Illinois	X	X	X	X	
Indiana	X		X	X	
Iowa	X	X	X	X	
Kansas	X	X	X	X	
Kentucky	X		X	X	
Louisiana	X	X	X	X	
Maine	X		X	X	
Maryland	X		X	X	
Massachusetts	X		X	X	
Michigan	X		X	X	
Minnesota	X	X	X	X	
Mississippi	X	X	X	X	
Missouri	X	X	X	X	
Montana			X	X	
Nebraska	X	X	X	X	
Nevada	X	X			
New Hampshire			X		X
New Jersey	X		X	X	
New Mexico	X	X	X	X	
New York	X	X	X	X	
North Carolina	X	X	X	X	
North Dakota	X	X	X	X	
Ohio	X	X		X	
Oklahoma	X	X	X	X	
Oregon			X	X	
Pennsylvania	X	X	X	X	
Rhode Island	X		X	X	
South Carolina	X	X	X	X	
South Dakota	X	X			
Tennessee	X	X	X		X
Texas	X	X	X		
Utah	X	X	X	X	
Vermont	X	X	X	X	
Virginia	X	X	X	X	
WASHINGTON	X	X			
West Virginia	X		X	X	
Wisconsin	X	X	X	X	
Wyoming	X	X			
States Imposing This Tax	45	36	44	41	2

# of states imposing a state or local sales tax = 46 (all except DE, MT, NH, and OR)

# of states imposing some form of income tax = 45 (all except NV, SD, TX, WA, and WY)

# of states imposing both a state or local sales tax and some form of an income tax = 41



Table 15. Comparison of State/Local Retail Sales Taxes - 2013

State	Food Items[1] Exempt (E)	State Rate	Maximum Local Rate	Combined State/Local Rate [4]
Alabama	T	4.00%	7.00%	11.00%
Alaska	T	None	7.50%	7.50%
Arizona	E	6.60%	7.13%	13.73%
Arkansas	1.5% (1)	6.00%	5.50%	11.50%
California	E	7.50%	2.50%	10.00%
Colorado	E	2.90%	7.50%	10.40%
Connecticut	E	6.35%	-	6.35%
Delaware	E	None	-	-
Florida	E	6.00%	1.50%	7.50%
Georgia	E (1)	4.00%	4.00%	8.00%
Hawaii	T	4.00%	0.50%	4.50%
Idaho	T	6.00%	2.50%	8.50%
Illinois	1%	6.25%	3.75%	10.00%
Indiana	E	7.00%	-	7.00%
Iowa	E	6.00%	1.00%	7.00%
Kansas	T	6.30%	3.50%	9.80%
Kentucky	E	6.00%	-	6.00%
Louisiana	E (1)	4.00%	7.00%	11.00%
Maine	E	5.00%	-	5.00%
Maryland	E	6.00%	-	6.00%
Massachusetts	E	6.25%	-	6.25%
Michigan	E	6.00%	-	6.00%
Minnesota	E	6.88%	1.00%	7.88%
Mississippi	T	7.00%	0.25%	7.25%
Missouri	1.23%	4.23%	4.75%	8.98%
Montana	T	None	-	-
Nebraska	E	5.50%	2.00%	7.50%
Nevada	E	6.85%	1.25%	8.10%
New Hampshire	T	None	-	-
New Jersey	E	7.00%	-	7.00%
New Mexico	E	5.13%	3.56%	8.69%
New York	E	4.00%	4.88%	8.88%
North Carolina	E (1)	4.75%	2.75%	7.50%
North Dakota	E	5.00%	3.00%	8.00%
Ohio	E	5.50%	2.25%	7.75%
Oklahoma	T	4.50%	6.50%	11.00%
Oregon	T	None	-	-
Pennsylvania	E	6.00%	2.00%	8.00%
Rhode Island	E	7.00%	-	7.00%
South Carolina	E	6.00%	3.00%	9.00%
South Dakota	T	4.00%	2.00%	6.00%
Tennessee	5.25%	7.00%	2.75%	9.75%
Texas	E	6.25%	2.00%	8.25%
Utah	1.75%(1)	5.95%	2.00%	7.95%
Vermont	E	6.00%	1.00%	7.00%
Virginia	2.5%(2)	5.00%	0.70%	5.70%
WASHINGTON	E	6.50%	3.10%	9.60%
West Virginia	1%(3)	6.00%	1.00%	7.00%
Wisconsin	E	5.00%	1.50%	6.50%
Wyoming	E	4.00%	2.00%	6.00%

[1] Food sales subject to local taxes

(2) Includes statewide 1.0% tax levied by local governments.

(3) West Virginia food sales will be exempt on July 1, 2013.

[4] Aggregate local rate levied in the largest city in the state. Includes local taxes for general purposes and those earmarked for specific purposes (e.g. transit). Taxes on specified sales (e.g. lodging or meals) are excluded.

Tax rates generally in effect for 2013.

**Table 16. Comparison of Business Taxes**  
**Major State Taxes on General Business Activities, 2013**

State	Corporate Net Income Tax	Other General Business Taxes*		
		Franchise Tax	Severance Tax	Gross Receipts
Alabama	Yes	Yes	Yes	
Alaska	Yes		Yes	
Arizona	Yes			
Arkansas	Yes	Yes	Yes	
California	Yes		Yes	
Colorado	Yes		Yes	
Connecticut	Yes			
Delaware	Yes	Yes		
Florida	Yes		Yes	
Georgia	Yes	Yes		
Hawaii	Yes			
Idaho	Yes		Yes	
Illinois	Yes	Yes	Yes	
Indiana	Yes		Yes	
Iowa	Yes			
Kansas	Yes	Yes	Yes	
Kentucky	Yes		Yes	
Louisiana	Yes	Yes	Yes	
Maine	Yes			
Maryland	Yes			
Massachusetts	Yes			
Michigan	Yes**		Yes	
Minnesota	Yes			
Mississippi	Yes	Yes	Yes	
Missouri	Yes	Yes		
Montana	Yes		Yes	
Nebraska	Yes		Yes	
Nevada			Yes	
New Hampshire	Yes			
New Jersey	Yes			
New Mexico	Yes	Yes	Yes	
New York	Yes			
North Carolina	Yes	Yes	Yes	
North Dakota	Yes		Yes	
Ohio			Yes	Commercial Activity Tax (CAT)
Oklahoma	Yes	Yes, starting July 1, 2013.	Yes	
Oregon	Yes		Yes	
Pennsylvania	Yes	Yes		
Rhode Island	Yes			
South Carolina	Yes	Yes		
South Dakota			Yes	
Tennessee	Yes	Yes	Yes	
Texas		Yes	Yes	
Utah	Yes		Yes	
Vermont	Yes			
Virginia	Yes			
WASHINGTON				Business & Occupation Tax
West Virginia	Yes	Yes	Yes	
Wisconsin	Yes		Yes	
Wyoming		Yes	Yes	

\*Excludes taxes on specific industries or activities (utilities, insurance, severance, etc.) & corporate franchise or license fees.

\*\*Michigan's new corporate net income tax replaces their Single Business Tax, effective 1/1/2012.

\*\*Based on total revenue but allows deduction of wages paid or cost of goods sold; sole proprietors are exempt.

44 states levying a corporate net income tax (all except OH, NV, SD, TX, WA, and WY)

6 states with a gross receipts tax that is broader than a traditional retail sales tax (AZ, DE, HI, NH, OH, & WA)

2 states that rely exclusively on a gross receipts business tax (OH & WA)

Table 17. Comparison of State Cigarette and Gasoline Taxes, 2013

Cigarette Tax		Gasoline Tax	
State	\$ Per Pack	State	¢ Per Gallon
New York [1]	4.35	California [1][3]	43.0
New Jersey [1]	2.70	North Carolina [2]	37.8
Rhode Island	3.50	WASHINGTON	37.5
Connecticut	3.40	West Virginia	34.7
Hawaii	3.20	Rhode Island [2]	33.0
WASHINGTON	3.025	Wisconsin [2]	32.9
Vermont	2.62	Pennsylvania	31.2
Wisconsin	2.52	Maine	30.0
Massachusetts	2.51	Oregon [1]	30.0
Alaska	2.00	Kentucky [2]	29.9
Arizona	2.00	Minnesota	28.6
Maine	2.00	Ohio	28.0
Maryland	2.00	Montana	27.0
Michigan	2.00	Vermont	26.7
Illinois [1]	1.98	New York [3]	26.6
Indiana	1.98	Idaho	26.0
Montana	1.70	Nebraska [2]	25.5
Utah	1.70	Kansas	25.0
New Hampshire	1.68	Connecticut	25.0
New Mexico	1.66	Utah	24.5
Delaware	1.60	South Dakota [1]	24.0
Pennsylvania	1.60	Nevada [1]	23.8
South Dakota	1.53	Maryland	23.5
Texas	1.41	Delaware	23.0
Iowa	1.36	North Dakota	23.0
Florida	1.339	Colorado	22.0
Ohio	1.25	Iowa	22.0
Minnesota	1.23	Arkansas	21.8
Oregon	1.18	Tennessee [1]	21.4
Arkansas	1.15	Massachusetts [2]	21.0
Oklahoma	1.03	Louisiana	20.1
California	0.87	Illinois[1][3]	20.1
Colorado	0.84	Texas	20.0
Nevada	0.80	New Hampshire	19.6
Kansas	0.79	Georgia [3]	19.5
Mississippi	0.68	Arizona	19.0
Nebraska	0.64	Michigan [2][3]	19.0
Tennessee [1]	0.62	New Mexico	18.9
Kentucky	0.60	Mississippi	18.4
Wyoming	0.60	Alabama [1]	18.0
Idaho	0.57	Indiana [3]	18.0
South Carolina	0.57	Virginia [1]	17.5
West Virginia	0.55	Missouri	17.3
North Carolina	0.45	Hawaii [1][3]	17.0
North Dakota	0.44	Oklahoma	17.0
Alabama [1]	0.43	Florida [1][3]	16.9
Georgia	0.37	South Carolina	16.8
Louisiana	0.36	New Jersey	14.5
Virginia [1]	0.30	Wyoming	14.0
Missouri [1]	0.17	Alaska	8.0

[1] Plus local taxes.

[2] Variable rate based on fuel price, consumption, or highway maintenance costs.

[3] Gasoline is also subject to retail sales tax.

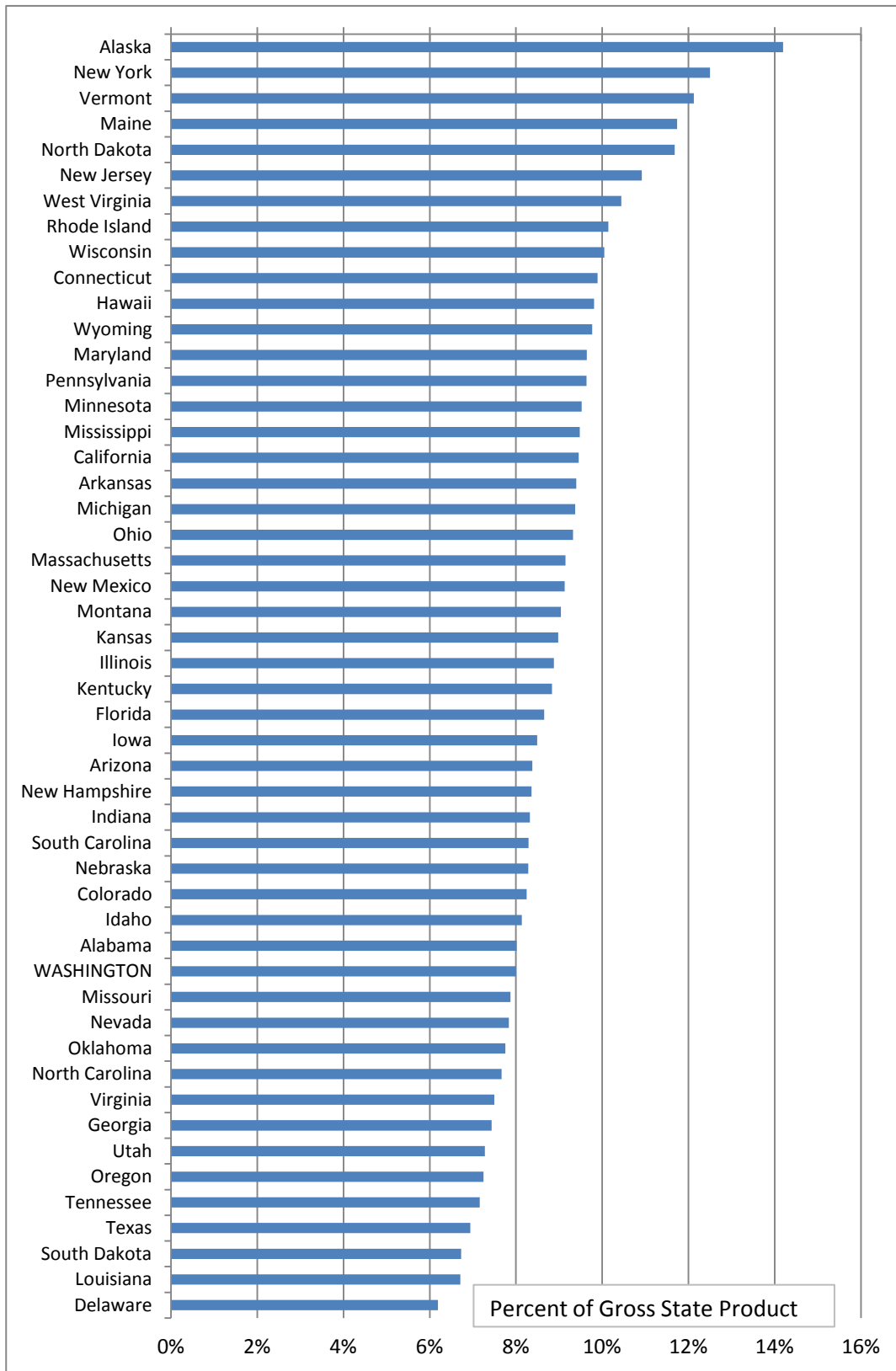
Sources: See Table 14. Rates are generally in effect for 2013.

Table 18. State and Local Taxes as a Percent of Gross State Product  
Fiscal Years 2007 - 2011

State	Amount					Rank				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Alaska	11.1%	20.2%	14.0%	12.9%	14.2%	4	1	1	1	1
New York	12.5%	12.8%	12.6%	12.1%	12.5%	1	2	2	2	2
Vermont	12.2%	12.0%	12.0%	11.7%	12.1%	2	4	3	3	3
Maine	11.7%	12.0%	11.3%	11.5%	11.7%	3	3	5	4	4
North Dakota	9.1%	10.0%	10.4%	9.8%	11.7%	26	13	8	10	5
New Jersey	10.9%	11.2%	10.8%	10.6%	10.9%	5	5	6	5	6
West Virginia	10.7%	11.0%	10.7%	10.4%	10.4%	6	6	7	6	7
Rhode Island	10.1%	10.3%	10.0%	9.9%	10.1%	8	7	12	9	8
Wisconsin	9.9%	10.2%	10.2%	9.9%	10.0%	10	9	10	8	9
Connecticut	9.8%	10.3%	9.9%	9.7%	9.9%	13	8	14	13	10
Hawaii	10.2%	10.2%	9.9%	10.1%	9.8%	7	10	13	7	11
Wyoming	9.6%	9.5%	11.8%	9.7%	9.8%	14	21	4	11	12
Maryland	9.6%	9.6%	9.5%	9.6%	9.6%	18	19	20	14	13
Pennsylvania	9.8%	9.9%	9.7%	9.4%	9.6%	11	14	17	15	14
Minnesota	9.3%	9.4%	9.3%	9.0%	9.5%	22	24	24	21	15
Mississippi	9.6%	9.6%	9.8%	9.4%	9.5%	19	18	15	16	16
California	9.6%	9.8%	9.3%	9.2%	9.5%	15	16	25	19	17
Arkansas	9.4%	9.4%	9.5%	9.3%	9.4%	21	25	18	18	18
Michigan	9.6%	10.2%	10.2%	9.7%	9.4%	16	11	9	12	19
Ohio	9.8%	10.0%	9.7%	9.3%	9.3%	12	12	16	17	20
Massachusetts	9.1%	9.4%	8.9%	8.9%	9.1%	24	23	28	23	21
New Mexico	10.0%	9.5%	9.4%	8.5%	9.1%	9	22	23	27	22
Montana	9.3%	9.6%	10.0%	8.8%	9.0%	23	17	11	24	23
Kansas	9.4%	9.6%	9.4%	9.1%	9.0%	20	20	22	20	24
Illinois	8.8%	9.2%	9.1%	8.3%	8.9%	30	27	27	29	25
Kentucky	9.1%	9.2%	9.1%	8.6%	8.8%	25	26	26	26	26
Florida	9.6%	9.8%	9.4%	8.9%	8.7%	17	15	21	22	27
Iowa	8.1%	8.6%	8.9%	8.5%	8.5%	43	32	29	28	28
Arizona	9.0%	8.6%	8.4%	7.9%	8.4%	27	33	35	36	29
New Hampshire	8.2%	8.5%	8.5%	8.1%	8.4%	41	35	33	32	30
Indiana	8.3%	9.1%	9.5%	8.7%	8.3%	37	28	19	25	31
South Carolina	8.8%	8.6%	8.4%	8.2%	8.3%	28	31	36	30	32
Nebraska	8.8%	8.7%	8.6%	8.2%	8.3%	29	30	32	31	33
Colorado	7.7%	7.8%	7.7%	8.1%	8.2%	46	45	45	33	34
Idaho	8.7%	8.9%	8.4%	7.7%	8.1%	31	29	34	39	35
Alabama	8.2%	8.2%	8.1%	7.8%	8.0%	42	39	39	37	36
WASHINGTON	8.5%	8.6%	8.1%	7.9%	8.0%	33	34	38	35	37
Missouri	8.2%	8.2%	8.1%	7.8%	7.9%	40	42	40	38	38
Nevada	7.8%	8.0%	8.1%	8.0%	7.8%	44	44	37	34	39
Oklahoma	8.4%	8.0%	8.7%	7.7%	7.8%	34	43	30	40	40
North Carolina	8.4%	8.4%	7.7%	7.7%	7.7%	35	37	44	41	41
Virginia	8.3%	8.2%	7.8%	7.4%	7.5%	38	41	43	43	42
Georgia	8.3%	8.3%	8.0%	7.5%	7.4%	39	38	41	42	43
Utah	8.4%	8.2%	7.8%	7.0%	7.3%	36	40	42	47	44
Oregon	7.6%	7.3%	7.3%	7.1%	7.2%	47	47	48	45	45
Tennessee	7.7%	7.6%	7.3%	7.1%	7.2%	45	46	47	44	46
Texas	7.1%	7.2%	7.6%	7.1%	6.9%	48	48	46	46	47
South Dakota	6.9%	6.7%	6.9%	6.8%	6.7%	49	49	49	49	48
Louisiana	8.5%	8.4%	8.6%	7.0%	6.7%	32	36	31	48	49
Delaware	6.1%	6.4%	6.0%	5.6%	6.2%	50	50	50	50	50

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce.

Chart 4. State and Local Taxes as a Percent of Gross State Product  
Fiscal Year 2011



**Chart 5. Historical Summary of Washington Taxes Major Tax Rate and Base Changes**

Year	Property	Vehicle Excise	Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	Tax Administration
Early History	1853, U.S. Organic Act established territorial government; all taxes to be assessed uniformly; exemption for U.S. property, churches, benevolent institutions. 1886, revenue producing property of churches is taxable. 1889, State Constitution: property to be assessed uniformly; Legislature may grant exemptions. 1900, \$300 personal property per household exempt. 1925, exemption for private schools and colleges.						1921, tax of 1¢ per gallon.			1901, inheritance tax: Class A, 1% (\$10,000 exempt); Class B, 3% - 6%; Class C, 6% - 12%. 1917, increased rates for each class; \$1,000 family allowance. 1923, rates increased.	1891, tax of 2% levied on gross premiums. 1911, retaliatory clause adopted.			
1929	14th Amendment (1930): classification of property is allowed, real estate must be one class; yield tax on reforestation land and mines is permitted.						Rate increased from 1¢ to 2¢.			Exemption for each Class A descendent. All maximum rates lowered.				
1931	Exemption for intangibles. Yield tax on reforestation lands. 1932, initiative imposing 40 mill limit.						Rate increased from 2¢ to 4¢.			Adjustment in Class B tax rates.				
1933	1932, Redd case limited state authority over local property assessments.				Occupation tax on gross income: extracting 0.3%; mfg. 0.25%; wholesaling 0.20%; retailing 0.5%; most services 0.5%.	Occupation tax: 3% basic rate; gas 2%; vessels and transit 0.5%; all others 1.5%.	Rate increased from 4¢ to 5¢. Refunds for off-highway use.		1934, beer excise tax: \$1.00/barrel.			5% tax on gross receipts of boxing, wrestling, and pari-mutuel betting.		
1935	Exemption for all household goods and personal effects.			2% tax on sales to or use by consumers of tangible personal property. Exemption for dairy products, fruit, vegetables, eggs and bread.	B&O replaced occupation tax. Basic rate 0.25% (mfg., wholesaling, retailing); service 0.5%. Farming and employees exempt. Minimum, \$200/month (\$500 retailers).	Public utility tax separated from B&O. 1933 rates retained.	Fuel oil tax of 1/4 cents per gallon.	Cigarette tax of 1¢ per package.	10% tax on sales of liquor by Control Board. 10¢ per gallon on wine.	Revision of rates and tax brackets. Exemptions for first \$40,000 of paid insurance and \$1,000 for Class B.		State admissions tax of 1¢ per 20¢ of ticket price.		
1937	Motor vehicles exempt from property tax.	Motor vehicle excise tax, 1.5% of value.		1939, tax is extended to all food, liquor and services to tangible property.				(1939) Rate increased from 1¢ to 2¢.			Domestic rate 1%; foreign rate 2.25%.			
1941			PUD tax in lieu of property tax; 2% of PUD gross revenues.	Rate increased from 2% to 3%. Tax extended to services rendered to real property.	Uniform minimum of \$300 per month. Elimination of tax on internal distributions.		Use fuel tax, 5¢/gallon on diesel, etc.			Gift tax enacted, rates are 90% of inheritance tax schedule.				
1943	Exemption for house trailers.	Inclusion of house trailers at 1.5%.		Exemption for seed fertilizer, chemical sprays.					10% war liquor tax (20% total).	Minor rate adjustment in Class A.				
1944	17th Amendment: assessment at 50% of true and fair value; 40 mill limitation in Constitution.			1945, exemption of breeding livestock.			18th Amendment earmarked tax for roads.							
1949		1% excise tax on value of aircraft.	Extension of PUD to self-generated energy at 5% of gross revenue.				Rate increased from 5¢ to 6.5¢. Repeal of fuel oil tax (1947).	Rate increased from 2¢ to 4¢.	Repeal of both 10% liquor taxes. 15% discount for Class H.					
1951				Extension to hotels and motels. Exemption of liquor but subject to 10% excise tax.	Surtax of 20%: basic rate 0.3%, service 0.6%.	Surtax of 10%.			10% liquor excise tax.					
1955	Property revaluation cycle: four-year interval.	Rate reduced to 1% for house trailers (1957).		Rate increased from 3% to 3.33%.	Increase of surtax to 60%: basic rate 0.4%, service 0.8%. Internal distribution restored to tax base.	Increase of surtax to 20% (1957).		Rate increased from 4¢ to 5¢.						
1959		Motor vehicle rate increased from 1.5% to 2.0%.	PUD tax on self-generated energy changed to 5% of first 4 mills.	Rate increased from 3.33% to 4%. Extension to rental of personal property, clearing/ moving land, and services to buildings.	Surtax on basic rate increased to 76% (0.44%). Service rate 1%. Extension to rental property: 1960, ruled to be unconstitutional.			Rate increased from 5¢ to 6¢. 25% tax on other tobacco products.	Liquor tax rate increased from 10% to 15% for consumers (not wine or Class H).					

Year	Property	Vehicle Excise	Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	Tax Administration
1961	Freeport exemption for goods in transit.			Extended to various services: recreation, amusement, title escrow and parking.			Increase in rate from 6.5¢ to 7.5¢.	Increase in rate from 6¢ to 7¢.	Additional liquor sales tax of 1.1¢ per fluid ounce.	Repeal of deduction for federal taxes.				
1965	47th amendment (1966) allowing exemptions for senior citizens.	House trailer rate increased from 1% to 1.5%.		Rate increased from 4% to 4.2%. Extension to bowling.	Manufacturers tax credit for sales tax paid on qualified improvements.			Rates increased from 7¢ to 11¢ and 25% to 30%.	Fluid ounce tax increased from 1.1¢ to 2¢. Beer excise of \$1.50 for cans/ bottles.	Exemption for state pensions (also teachers in 1961; federal government in 1963).				
1967	Two mills of local school levy shifted to state. \$50 senior citizen exemption. Barlow vs. Kinnear decision provided state with greater assessment equalization power. 1968, 53rd amendment provided current use assessment for open space, timber, and agricultural lands.	1% aircraft excise replaced by \$15 for single engine and \$25 for multi-engines.		Rate increased from 4.2% to 4.5%. Exemption for pollution control facilities. King County authorized to share 2% of state 4.5% tax on hotel and motel accommodations for stadium construction.	76% surtax on basic rate repealed but same 0.44% rate is retained. Radio and TV broadcasting is taxable. Pollution credits up to 50% of cost at 2% per year.	20% surtax repealed but same rates are retained: basic 3.6%; gas 2.4%; transit 0.6%; others 1.8%.	Rate increased from 7.5¢ to 9¢.							
1969	State funding of revaluation plan. <u>Carkonen vs. Williams</u> decision required 50% assessment for all property.				Cut-off for new applications for pollution credits except to meet higher standards.				Retail sales of wine permitted: 26% excise tax and 10¢ per gallon.					
1970	Open space law to implement 53rd amendment. <u>Edgewater Inn</u> decision: leases of public property subject to assessment.			Local sales/use tax at 0.5% rate authorized. 2% hotel/motel tax extended to Spokane and Tacoma.	Tax extended to financial institutions as service.									
1971	\$50 senior citizen exemption replaced by exemption from special levies: \$4,000 and under income receive 100% exemption; \$4,000 to \$6,000 income get 50% exemption. Annual increase in regular levy revenues of local taxing districts limited to 106%, starting with 1974 collections. Expanded exemption for facilities of private schools. Standing timber exempt. Moratorium until 1973 on assessment of leasehold estates. Deduction of selling costs (overruled in 1972). Annual updating of values permitted. Delinquency rate on first \$500 lowered from 10% to 5%.	Mobile home and travel trailer tax increased from 1.5% to 2%		Authorization for local 0.3% sales/use tax in King County for transit purposes. Road construction for state defined as retail sale (before only use tax on materials). Chargeback to prior fiscal year for tax received until August 10th.	Cut-off of manufacturers tax credits. Tax of 0.015% on businesses whose products relate to litter. First month delinquency penalty increased from 2% to 5%. 0.25% rate for nuclear fuel assemblies.	Rate for gas distribution increased from 2.4% to 3%.	Special fuel tax enacted on diesel, propane and similar fuels other than motor vehicle fuel (gasoline).	Cigarette tax increased from 11¢ to 16¢ per pack. Tobacco products tax increased from 30% to 45%.	Fluid ounce tax rate increased from 2¢ to 4¢ per ounce.	Payment period is reduced from 15 months to 9 months.				
1972	Residential improvements up to 30% of value exempt for three years. Approval of SJR 1 constitutionally limiting all regular levies to 1%. Removal of 40% requirement for voter turnout for special levies.	Pickup campers added to travel trailer excise tax; rate reduced from 2% to 1%.	Timber excise tax on stumpage value; initial rate 1.8%, effective 10/1/72.	Deferral for 3 years of sales tax paid by manufacturers on plant improvements.				Possession of unstamped cigarettes is illegal. Vietnam veterans bonus.						

Year	Property	Vehicle Excise	Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	Tax Administration
1973	Assessment level increased from 50% to 100% of true and fair value for 1975 collections. Hoppe v. Kinneer decision: SJR 1 effective for 1973 taxes; 20 mill maximum regular levy. Statutory levy rates: for 1974 taxes, 20 mill maximum with no state levy; for 1975 \$9.15 per \$1,000 maximum with \$3.60 state levy for schools. Current use assessment of farm lands based on net cash rental value. Administration of exemptions for nonprofit organizations transferred to state.	Permanently affixed mobile homes subject to property tax instead of excise tax.	Timber tax increased from 1.8% to 3.4%. Leasehold tax of 14% for pre-1970 leases; others taxed as personal property.	Local 2% hotel/motel tax for stadiums and convention centers is extended to any city or county.					26% wine tax replaced by 75¢ per gallon tax on wine wholesalers.	Exemption for higher education pensions and certain annuities.		State mechanical devices tax is repealed. State regulation and licensing of gambling with local taxation up to 10% of gross.		
1974	Inventories exempt from property tax effective in 1984. Phase-in of exemption for livestock. 8% delinquency rate. Service charge authorized for fire districts. Special levy exemption for senior citizens increased: incomes up to \$5,000 are 100% exempt; incomes \$5,000 to \$6,000 are 50% exempt; incomes up to \$4,000 are exempt from regular levies on first \$5,000 of residential value.		Timber tax increased from 3.4% to 6.5% until 12/31/78. Phase-in of distributions based on amount of timber harvested.	Exemption for prescription drugs and returnable containers. Local 0.3% transit tax extended to any county.	B&O credit for personal property taxes paid on business inventories: 10% in 1974 to 100% in 1983; no credit after 1983.									
1975	Deferral of taxes allowed for senior citizens with income less than \$8,000. Application fee of \$35 for nonprofit organizations is due every four years.			Hotel/motel tax is restricted to city or county; not both. Local transit tax rates: 0.1%, 0.2%, or 0.3%. Tax is extended to government contractors.	Rate reduced to 0.25% for travel agents.			Exemption repealed for two cartons of unstamped cigarettes.						
1976	Approval of constitutional amendment permitting special levies by school districts for two years.		12% state tax on leases of public property; credit for up to 6% in local taxes.	State rate up from 4.5% to 4.6%, 6/1/76 until 7/1/77. Elimination of revenue chargeback by 1986.	Surtax of 6% on all B&O tax rates, 6/1/76 until 6/30/77.							\$200 state tax on coin-operated gambling devices.		
1977	Phase-in of special M&O school levy limit to 10% of prior year expenditure for basic education; to be fully effective by 1981 levies. Senior citizens exemption income limits increased by \$2,000. Ratio study procedures revised; more input from assessors. Revaluation ratio repealed. Seven-year exemption for solar energy facilities.	Motor vehicle excise tax increased from 2% to 2.2%. Vehicles licensed all year.	PUD tax on Hanford nuclear plants changed to 1.5% of wholesale value of energy.	State rate increase of 0.1% is continued two years until 7/1/79. Initiative 345 to exempt food for off-premises consumption approved by voters; effective 7/1/78.	Surtax of 6% is continued two years until 7/1/79. Deduction for minor final assembly.		Rate increased from 9¢ to 11¢, 7/1/77. Rate may vary between 9¢ and 12¢ starting 1/1/78.					Local taxes on amusement games limited to 2% of net receipts. Exemption of nonprofit bingo, etc.		
1979	State regular levy for schools subject to 106% limit. Senior citizen exemption increased: households with income to \$11,000 exempt from all special levies; in addition, those with incomes to \$7,000 exempt from regular levies on the first \$15,000 value of residence. Open space lands exempt from benefit assessments. Regular levy of \$0.25 authorized for emergency medical service.		Timber tax reenacted from 1/1/79 to 6/30/81 at 6.5%. Fund A distributions frozen at 80% of timber roll.	State rate reverts to 4.5%, 7/1/79. Exemption for used mobile homes; but subject instead to 1% real estate excise tax. Local hotel/motel tax may be used for arts centers and tourist promotion.	Surtax of 6% expired, 7/1/79. Minimum taxable amount increased from \$300 to \$1,000 per month. \$1 registration fee replaced by \$25 deposit. Rates reduced to 0.125% for soybean processors and to 0.33% for stevedores and cargo agents. Credit for energy cogeneration facilities.		Rate increased from 11¢ to 12¢, 7/1/79. Local gas tax of 2¢ authorized for city of Seattle for bridge construction.			Exemption of \$100,000 for spouse or minor child; \$10,000 for Class B. Revision of Class B and C brackets. Phase-out of community property, 1981-84. Farms and small businesses valued on current use. Gift tax (1/1/80): \$40,000 lifetime exemption; tax rates same as inheritance tax schedule.	Exemption for cost of annuities.	Pari-mutuel tax reduced from 5% to 4% or 4.5% for certain horse races.		



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1980	Senior citizens exemption: 1/3 exclusion for social security is eliminated but income levels are increased by \$3,000; exemption for life estates. Exemption for added value of unconventional energy systems (until 1987) and for gasohol facilities. Compensating tax on open space lands shifted from buyer to seller. ----- 1% real estate excise tax is a state source as of 9/1/81.	Exemption for ride-sharing vehicles.	Compensating tax on sold timber lands shifted from buyer to seller.	Maximum transit tax in King County increased from 0.3% to 0.6% if approved by local voters. Exemptions for ride-sharing vehicles, orthotic and ostomic devices, and alcohol used in gasohol.	Exemption for manufacturing and wholesaling of gasohol. Special excise tax on commercial processors of food fish and shellfish is transferred to Department of Revenue, 7/1/80.	Deduction for cost of power produced by cogeneration or from renewable resources.	Exemption for alcohol used in gasohol.							
1981	Interest rate on delinquent property taxes increased from 8% to 12%, 7/26/81. New penalty of 11% for first-year delinquencies starting in 1982. Foreclosure period is shortened from 5 to 3 years in May 1983. Forest land values adopted by statute for 1982; to be updated by Department based on five-year average stumpage values. Exemption for nonprofit musical and artistic organizations and public assembly halls. Valuation reduction for natural disasters. Levy allowed for park and recreation service areas.		Timber tax for small harvesters based on actual sales receipts instead of stumpage value tables. 6.5% timber tax rate is extended until 6/30/83.	State rate increased from 4.5% to 5.5%, 12/4/81 - 6/30/83. Due date for monthly excise tax returns is advanced (15th of next month by April 1983). Exemption for nonprofit cultural organizations and youth groups. Manufacturers tax deferral limited to \$30 million investment per taxpayer; program to end 6/30/82. Vending machine food sales: 57% subject to tax. Revenue chargeback advanced from August 10th to July 25th in fiscal 1985.	Rate changes: cigarette wholesaling increased from 0.176% to 0.44%, 7/1/81; aluminum manufacturing increased from 0.4% to 0.44%, 7/1/81 - 6/30/83; wholesaling of lentils reduced to 0.01%. Dues and charges of youth groups exempt. Deductions for nonprofit cultural organizations and kidney dialysis. Applications for pollution control credits disallowed after 11/30/81.	Competitive telephone services removed from utility tax and subject to B&O and sales tax. County tax of 50¢ per telephone line authorized to fund emergency communication systems.	Rate increased from 12¢ to 13.5¢, 7/1/81. Variable rate range increased to 12¢-16¢.	Rate increased from 16¢ to 20¢, 7/1/81.	"Ounce" tax increased from 4¢ per ounce to \$1.72 per liter (equivalent to 5¢/ounce). Beer excise tax increased from \$1 or \$1.50 to \$2.60 per barrel. Wine tax changed from 75¢ per gallon to 20.25¢ per liter.	State inheritance and gift taxes, except for amount of federal estate tax credit, repealed by the voters 11/81, effective 1/1/82.	Advanced payment of estimated premiums tax.			
1982	Physical inspection requirement extended to six years, if assessor follows annual updating. Items leased on long-term basis qualify as inventories. Port industrial development levy extended to 12 years. Community redevelopment program allowing public projects to be repaid by increased property tax revenues, if approved by the voters (failed). Authorization for formation of solid waste disposal districts and cultural arts, stadium and convention districts - both with limited authority. ----- State real estate excise surtax of 4%, 5/1/82, increased to 7% 8/1/82; to expire 6/30/83. Local real estate excise tax of 0.25% may be levied by cities and counties; additional 0.5% may be imposed in lieu of additional 0.5% local sales tax.	Surtax of 4%, 7/1/82, increased to 7%, 10/1/82; to expire 9/30/83. MVET distributions to cities and counties revised to partially equalize disparities in per capita local sales tax receipts.	Leasehold and PUD surtaxes: 4%, 4/1/82, increased to 7%, 7/1/82; to expire 6/30/83. Timber tax extended to timber harvested on state and federal lands.	State rate reduced from 5.5% to 5.4% and tax reimposed on food products (except food stamp purchases), 5/1/82 - 6/30/83. Cities and counties may levy up to 1.0%. Nonresidents exemption fee increased from \$1 to \$5. Credit for sales taxes paid on bad debts, effective 1/1/83. Repayment of manufacturers tax deferral advanced. Prepayment of local sales tax. Hotel/motel tax to fund state convention center: 2% tax on lodgings in King County except within Seattle which is 3% for 1982 and 5% thereafter. Municipal hotel/motel tax of 3% authorized for convention centers.	Surtax of 4%, 4/1/82, increased to 7%, 7/1/82; both to expire 7/1/83. Excise tax registration fee changed from \$25 deposit to \$15 fee. Voluntary estimated tax reporting allowed monthly taxpayers with quarterly reconciliation. Exemption for international banking facilities. Cogeneration credit increased from 2% to 3%. Inventory tax credits for 1983 delayed until fiscal 1984. Disposal of radioactive waste subject to tax of 30%. Municipal business taxes limited to 0.2%.	Surtax of 4%, 4/1/82, increased to 7%, 7/1/82; both to expire 6/30/83. Rate for gas distribution increased from 3.0% to 3.6% (plus surtaxes). Tax applies to electricity sold for resale or consumption out of state. Municipal utility taxes limited to 6%.	Rate reduced from 13.5¢ to 12¢ under variable rate formula, 1/1/82. Aircraft fuel tax rate increased from 2¢ to 5¢ per gallon.	Cigarette tax increased to 20.8¢, 5/1/82 and to 23¢, 8/1/82; tobacco products surtax of 4%, 5/1/82, increased to 7%, 8/1/82; all increases to terminate 6/30/83. Increase in wholesalers and retailers fee; revisions in Unfair Cigarette Sales Act.	Liquor sales and liter tax surtaxes: 4%, 5/1/82, increased to 14%, 8/1/82; beer and wine surtaxes: 4%, 5/1/82, increased to 7%, 8/1/82; all increases to expire 6/30/83.		Surtax of 4%, 4/1/82, to expire 6/30/83. All premiums tax rates increased by 0.16%.	State lottery established.		

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1983	Senior citizens exemption: in 1984, maximum income increased to \$15,000, value exempted increased to \$20,000; starting in 1985, two-step regular levy exemption depending upon income and residential value; annual filing eliminated. Reduced back taxes for nonprofit organizations that lose exempt status. Compensation for local taxing districts with large inventory values, 1984-87. Expanded levy authority for flood control and road service districts.	Permanent tax rate, motor vehicle excise, 2.354%. Aircraft excise tax schedule, \$20-\$125. State excise tax on pleasure boats, 0.5% of fair market value.	6.5% timber tax rate extended until 6/30/84. Permanent leasehold excise tax rate, 12.84%; PUD tax, 2.14% of gross revenue plus 5.35% of first 4 mills.	State rate increased from 5.4% to 6.5% in 36 counties, effective 3/1/83 (remains at 5.4% in 3 border counties). Tax extended to telephone service except local residential service. Revenue chargeback eliminated on 6/30/85.	Permanent tax rates effective 7/1/83; mfg., wholesaling 0.484%; retailing 0.471% (except 0.581% in 3 border counties); insurance 1.1%; service and other 1.5%. Exemption for nonproprietary income of local government and out-of-state direct sellers. Estimated reporting for monthly taxpayers dropped and due date moved back to 25th of following month in April 1985.	Permanent tax rates effective 7/1/83: most utilities, 3.852%; urban transit, 0.642%; motor transportation and other, 1.926%.	Rate increased from 12¢ to 16¢, 7/1/83. Variable rate calculation repealed. Minimum rate of 5¢ per gallon for aircraft fuel tax.	Permanent tax rate 23¢ per pack; tobacco products, 48.15%.	Permanent tax rates effective 7/1/83: liquor sales 17.1% (Class H, 11.4%); liquor liter, \$1.9608; beer excise, \$2.782 per barrel; wine excise, 21.6675¢ per liter.				Permanent tax rates: state real estate excise tax, 1.07%; conveyance tax, 53.5¢ per \$500; insurance premiums - domestic, 1.21%; foreign, 2.25%; ocean marine, 0.9464%. Uniform unclaimed property act adopted. Hazardous waste tax on selected industries identified by Department of Ecology.	
1984	Exemption granted nonprofit cultural or art education programs. Clarification of exemption requirements. Full amount of delinquent property taxes not due until Oct. 31. Department to assess taxable boats. Current use assessment for conservation rights. Uniform eligibility requirements for senior citizens exemption and deferral.	Revision made to formula for distribution of MVET equalization. Power boats under 16 feet required to be registered.	Phase down of timber tax from 6.5% to 5%, 1985 to 1988. County tax of 4% credited against state tax, 7/1/84.	Maximum transit tax increased from 0.3% to 0.6%. Municipal hotel/motel tax of 3% repealed. Exemption for used floating homes. Exemption for trade-ins adopted by initiative, effective 12/06/84.			Rate increased from 16¢ to 18¢, 7/1/84.	Revisions in Unfair Cigarette Sales Act: manufacturers' discounts passed on to retailers.					County tax authorized for nonresident employees, 7/1/85.	
1985	Valuation standards for open space lands under current use assessment to be established by counties. Fire district and emergency medical service levies revised. Exceptions to school M&O levy limit extended to 1993. Improvements to certified historic properties may be exempt for 10 years.	Boats under 16 ft. and 10 h.p. exempt from state registration.		Lower state rate in 3 border counties disallowed by the Court, effective 1/1/85. Sales tax deferral programs for new manufacturing or R&D firms; applications through 1986 or 1991. Tax may be included in advertised price. Exemptions for gold bullion and feed for commercial fish raising. Use tax on rental value.	Exemptions for raising of animals under contract, commercial production of fish, and all business receipts of nonprofit arts organizations. Rate reduction for meat processing. Credit for B&O taxes paid by Washington manufacturers or extractors in other states.	Rate increase for water distribution from 3.852% to 5.029%, 7/1/85. Activities transferred from B&O tax: sewerage, 3.852% and garbage collection, 5.029%.							Conveyance tax increased from 53.5¢ to \$1.00 per \$500. Annual assessment of 0.12% on retailers of new replacement vehicle tires for DOE. Definitional changes for fish privilege tax.	
1986	Revision to 106% limit override provisions. Clarification of historic property exemption. Interstate commerce vessels and commercial fishing boats are exempt if in the state for less than 120 days per year. Levies for school capital purposes may be for up to 6 years.		Leasehold excise tax credit for the amount that the tax exceeds the equivalent property tax.	Expansion of 1985 sales tax deferral for manufacturers and R&D. Exemptions for hearing aids, livestock for consumption, feed for animals at public livestock markets, material for producing ferrosilicon.	Credit of \$1,000 for each qualified new employee of manufacturing or R&D firms in distressed counties, effective 4/1/86 - 6/30/88.	Warehousing transferred from public utility to B&O tax. Garbage collection removed from public utility tax and subject to new tax of 3.6% collected from the customer, 6/1/86.		Rate increased for cigarettes, 23¢ to 31¢, and tobacco products 48.15% to 64.9% earmarked for water quality programs, effective 4/1/86. Changes in Unfair Cigarette Sales Act; to expire in 1991.					Insurance premiums tax rates: 2% for both foreign and domestic companies, 0.95% for ocean marine; effective 7/1/86.	
1987	Reports no longer required: listing of exempt assembly halls, impact of open space program, revaluation progress. Adjustments to state levy clarified. Valuation of motor transportation shifted to assessor. Special M&O school levy limit raised from 10% to 20% of budget; equalization procedure established. Senior citizens exemption income limits increased. Exemptions: leased arts facilities, student loan organizations, dialysis facilities.	Motor vehicle excise tax increased from 2.354% to 2.454%, January 1989 through December 1990.	Timber tax minimum increased from \$10 to \$50 per quarter; special products allowed small harvester option.	Exemptions for food stamp purchases, fishing boat fuel, state ferry fuel, and Christmas tree production materials. Manufacturers deferral includes aluminum plants. Corporate officers sales tax liability. Revenue chargeback (July 10th) eliminated; fiscal year accounting ends on June 30th.	Multiple activities exemption repealed; credit for manufacturing tax against selling tax. Credit for B&O tax paid in other states by manufacturers. Rate reduction for pearl barley. Exemptions for Christmas trees, conditioning of seed, processed hops, student loan organizations and adult family homes.	Sewerage collection does not include transfer and processing; these are subject to B&O tax.		Sellers' compensation increased from \$1.85 to \$4.00 per 1,000 stamps.					Conveyance tax repealed; incorporated with real estate excise tax with rate increase from 1% to 1.34%. Previous hazardous waste tax replaced by 0.8% tax on wholesale value of selected chemicals and other substances. Fee of \$5 on new wood stoves; collection by DOR. Local hotel/motel tax of 2% for Pierce County.	

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1988	Head of household exemption increased from \$300 to \$3,000. State levy excluded from proration; assistance to small counties to avoid proration.			Sales tax deferral for manufacturing expansions extended through FY 1994. Tax extended to prepared food items. Nonresident permit eliminated as of July 1989. State convention center tax on hotel/motels in King County increased from 5% and 2% to 6% and 2.4%, 7/1/88.	Total exemption for sheltered workshops.								Local hotel/motel taxes authorized for Spokane, Yakima, Ocean Shores and Pierce and Thurston Counties.	
1989	Revision in exemption for retirement homes for the aged; percentage of exemption depends upon number of residents that would qualify for senior citizens exemption. Various changes that affect property tax administration including authority to pay the tax with credit cards.			A special use tax equal to the public utility tax rate of 3.852% is imposed on natural gas purchased from out of state via brokers.	B&O deduction for nonprofit trade shows and educational seminars.	Basic rate on electrical power increased from 3.852% to 3.873% to make up for the inability to tax power sold out of state.		Cigarette tax increased from 31¢ to 34¢, effective 6/1/89, with receipts earmarked for drug enforcement and education programs.	Taxes increased to fund drug programs: (1) wine tax from 21.92¢ to 22.92¢ (or 45.36¢); (2) beer tax from \$2.78 to \$4.78; (3) additional tax of 7¢ per liter on hard liquor.				New tax on petroleum products; 0.5% of wholesale value, effective 7/1/89. New tax of 1% on customers of solid waste collection firms, effective 7/1/89. New tax on soft drinks of 1¢ per 12 ounces (or 75¢ per gallon of concentrated syrup) effective 7/1/89 with receipts dedicated to drug programs. Assessment of 0.12% on new replacement vehicle tires is replaced with fee of \$1.00 per tire effective 10/1/89.	
1990	Aggregate levy rates of all local taxing districts increased from \$5.55 to \$5.90/\$1000 to relieve prorationing. Special valuation of historic property extended permanently. Exemption for nonprofit shelters for homeless persons. Special levies allowed for hospital and metropolitan park districts. Personal property ratio - may use prior year assessment roll.	Rate reduced from 2.454% to 2.2%. Valuation schedules revised and transferred from Department of Revenue to Licensing. Local MVET of 0.8%.	Leasehold tax exemption extended to "officers row" at Fort Vancouver.	Local sales taxes authorized: 0.1% for 6 counties for criminal justice programs and 1% for high capacity transportation funding. Monthly, rather than bimonthly, distributions of local sales tax receipts, 7/1/90.	Rate on disposal of low-level radioactive waste reduced from 33% to 16.5%, 3/13/90. Exemption for small timber harvesters. Electronic transfer of state excise tax payments for large taxpayers, starting 1/1/91.	Deduction for payments to builders and owners of new residences for meeting energy code requirements.	Rate increased from 18¢ to 22¢, 4/1/90; rate increased to 23¢, 4/1/91. Local gas tax authorized rate to equal 10% of state rate.	\$250 penalty for possession of unstamped cigarettes.					Wood stove fee increased from \$5 to \$15. Local employer tax of \$2 authorized. New fees on generators of hazardous waste: \$35 due 10/1/90 plus an unspecified fee, 7/31/91. Mobile home fee replaced by \$65 fee on transfer of title. \$1 lot fee to expire on 12/31/90. Local real estate excise taxes: 0.25% for comprehensive planning and 1% for acquisition of conservation lands.	
1991	Senior citizen exemption income and home value limits increased. Exemption for custom computer software; canned software subject to tax for only the first two years after acquisition.			Exemption for oxygen concentration equipment. Local sales tax (0.1%) for criminal justice extended to Yakima County. Local sales tax of 0.1% authorized for public facility districts (i.e., Spokane County).	Rate for disposal of low-level radioactive waste reduced from 16.5% to 11%, 5/20/91; further reduced to 5.5%, 1/1/92 and to 3.3%, 7/1/93. Excise tax interest rates tied to short-term federal rate: for delinquencies, +2% and for refunds, +1%.								New tax on crude oil and petroleum products imported via water: 5¢ per 42-gallon barrel. Air pollution fees levied by DOE upon polluters; collection by DOR. Wood stove fee increased from \$15 to \$30, 1/1/92. New tax levied upon hospitals, equal to 20% of Medicaid receipts. Pari-mutuel tax rates reduced, 5/20/91.	
1992	Maximum income for senior citizens exemption increased from \$18,000 to \$22,000. Renewal applications for senior citizen exemption required every four years. New category for current use assessment: farm conservation land; other changes to the program requirements.	Rental cars exempt from MVET.			Litter tax revised to allow a taxable percentage of income for an industry's litter products.								New state tax of 5.9% and authorization for county taxes of 1% levied on rental of passenger vehicles for periods less than one month. Medicaid tax on hospitals is terminated by action of federal OMB; similar tax extended to intermediate residential health care facilities for the mentally retarded.	

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1993	The state to collect the state levy on commercial vessels, starting 1/1/94. Additional local levy of 50¢ to fund low-income housing programs. Various changes to the formula for exemption of homes for the aging. Exemption for nonprofit, nonsectarian fund-raising. Assessments to reflect "governmental policies," e.g., growth management requirements.			Tax base extended to selected services including landscape maintenance, guided tours, rental of equipment with operator, physical fitness, massage and certain other personal services. The 0.1% local sales tax for criminal justice is extended indefinitely and the levying authority expanded to any county. Sales tax deferral for manufacturers locating in economically distressed areas broadened to include neighborhood reinvestment areas. Prescription drug exemption expanded to include birth control. Exemption for ride-sharing vehicles broadened to include passenger cars which carry as few as five persons. Provisions concerning resale certificates tightened and 50% penalty established for improper use.	New, permanent B&O rate classifications: business services at 2.5% and financial services at 1.7%; the permanent rate for all other services increased from 1.5% to 2%, effective 7/1/93. Temporary surtax of 6.5% applied to most B&O classifications (except business and financial services, retailing, and public/nonprofit hospitals) for four years, effective 7/1/93. B&O tax extended to income of public and nonprofit hospitals; tax rate is 0.75%, 7/1/93 through 6/30/95 and 1.5% thereafter. Credit for jobs created in distressed areas broadened to include neighborhood reinvestment areas and timber impact areas. Magazines removed from printing/publishing classification. Health maintenance organizations removed from B&O tax and subject to new insurance premiums "prepayment" tax of 2%, effective 1/1/94. Exemptions established for credit/debt counseling services and foreign branch campuses.	Deduction for income relating to construction by municipal utilities is repealed.		Cigarette tax increased from 34¢ per pack: to 54¢, 7/1/93; to 56¢, 7/1/94; to 74¢, 7/1/95; and to 75¢, 7/1/96. Tobacco products tax increased from 64.9% to 74.9%, effective 7/1/93. Additional receipts dedicated to health care funding.	Various liquor taxes increased on 7/1/93, 7/1/95 and 7/1/97, to provide funding for health care: liquor sales tax, from 17.1% to 18.7%, to 19.7% and to 20.5%; liquor sales tax (Class H purchasers), from 11.4% to 12.5%, to 13.1% and to 13.7%; liquor liter tax from \$2.031 per liter to \$2.231, to \$2.331 and to \$2.441; and beer excise tax from \$4.782 per barrel to \$5.742, to \$7.172 and to \$9.562.			Fish tax rates increased, effective 1/1/94. Real estate excise tax applied to transfers of the controlling interest in real property; exemption for sales to government is repealed. Local hotel/motel tax of 2% authorized for Pasco and Cowlitz County; maximum rate of tax in Yakima County increased from 2% to 3%. Tax on facilities for mentally retarded persons reduced from 15% to 6%. Insurance premiums tax credit for assessments to cover liability of insolvent companies is repealed.		
1994	Authorization for local committee to be established in each county to determine funding of revaluation efforts. Park and recreation levies increased from 15¢ to 60¢ per \$1,000. Exemption renewals for nonprofit organizations required annually instead of every four years. Maximum income for qualified recipients of senior citizen exemption increased from \$26,000 to \$28,000; future limit tied to rate of inflation.		Purchasers of private timber required to report pertinent data to DOR.	New sales tax deferral programs for high-technology firms for research and development facilities and pilot scale manufacturing plants. Sales tax deferral for manufacturers expanded: one new job for each \$750,000 of investment; includes leased structures, machinery with construction, locations adjacent to distressed areas if 75% of the employees live in the distressed area, areas designated by the Governor which experience natural disasters or abnormal economic impacts, etc. Exemption from tax on physical fitness services for nonprofit youth organizations. Equalization provided for local transportation sales/use tax; MVET funds to be used to provide additional funding for those districts which receive less than 80% of the state average per capita local tax.	Minimum taxable amount of \$1,000 per month replaced by credit of up to \$35 per month against the computed tax liability. Tax credit for high-technology firms for research and development expenditures. Reduction in B&O surtax rate from 6.5% to 4.5%, effective 1/1/95. Magazines restored to printing and publishing classification. Tax credit for expenditures for ride-sharing programs by large employers in the eight largest counties.	Tax credit for expenditures for ride-sharing programs by large employers in the eight largest counties. Deduction established for electric power firms whose customers are geographically dispersed.	Exemption for gasohol repealed.	The 3¢ rate for drug education is increased to 10.5¢, effective 7/1/95.	Liquor taxes that fund drug education are extended indefinitely.				Tax on carbonated beverages allowed to expire as scheduled on 7/1/95; however, the tax on "syrup" for carbonated beverages will then be extended indefinitely and the rate increased from 75¢ to \$1.00 per gallon. Local hotel/motel taxes authorized for Snohomish County and the city of Ilwaco. New fee established on metals mining and processing; DOR to administer.	

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1995	State levy rate reduced by 4.7% for 1996 collections only. Senior citizens exemption and deferral income levels increased. Residential values of eligible senior citizens frozen at 1/1/95 levels.		Short-rotation hardwoods, e.g. cottonwoods, subject to property tax instead of timber excise tax. Requirements for small timber harvester expanded.	Exemption established for machinery/equipment purchased by manufacturers, effective 7/1/95. Statewide sales tax deferral for new manufacturing firms repealed; expansion to distressed area deferral program and the 1994 high tech deferral converted to outright exemption. New 0.1% local sales tax for correctional facilities. Local sales tax authority for public facilities districts expanded to any county (formerly only Spokane). Sales tax deferral for construction of professional baseball stadium and thoroughbred horse racing track. Equalization program for local transit taxes. Funding of professional baseball stadium: local sales tax of 0.017% applied on all sales throughout King County; amounts credited against state 6.5% sales/use tax.	Rate reduction for insurance agents/brokers and international investment management firms.			Administrative revisions for cigarette tax collection; precollection of the tax by wholesalers, stamps required for nontaxed cigarettes for Indian consumption; requirements for transporting cigarettes tightened.					Two new local taxes in King County to fund professional baseball stadium: 0.5% tax on restaurant/bar sales and additional 2% car rental tax. King County may levy a 10% admissions tax on professional baseball stadium events. New tax of 2% on hotels/motels within Seattle adopted to finance expansion of convention center, effective 1/1/2000; tax credited against state sales tax. Various new local hotel/motel taxes authorized.	
1996				Manufacturing machinery exemption expanded to include repairs and R&D equipment. Exemption for materials used in design and development of aircraft parts. Distressed areas sales tax deferral/exemption expanded to cover counties with low median household income.	Permanent service classification rates reduced, effective 1/1/96: business services from 2.5% to 2%; financial services from 1.7% to 1.6% and all other services from 2% to 1.75% (plus surtax). B&O jobs credit doubled to \$2,000 per FTE. New tax credit for training costs of employers in distressed areas. Expansion of tax credits for ride-sharing expenditures of employers. Small firms need not file tax returns unless annual income equals or exceeds \$24,000.			Tax rate for railroads reduced from 3.852% to 1.926% (including surtax). Expansion of tax credits for ride-sharing expenditures of employers. Deduction expanded for power companies with geographically dispersed customers. Small firms with annual incomes of less than \$12,000 don't have to register for tax purposes; tax returns need not be filed unless annual income equals or exceeds \$24,000.					New local hotel/motel taxes authorized.	

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1997	State levy rate reduction of 4.7187% extended to 1997. Referendum 47 approved by the voters in November 1997. It will: (1) limit future increases in assessed values of real property generally to 15% per year; (2) reduce the 6% limitation on growth in regular levy receipts for most taxing districts to the rate of inflation; and (3) permanently extend the 4.7187% reduction in the state levy rate. New exemption for parcels of real property and personal property accounts valued at less than \$500. Allowable uses of exempt public assembly halls or meeting places are broadened. Exemption for intangibles is clarified and certain types of intangibles are specifically included in the exemption (e.g., trademarks, patents, etc.), effective for valuations starting on 1/1/98. Exemption for certain sales at nonprofit camps and conference centers. Authorization for four-year M&O school levies approved by the voters in November 1997.			Remittance for state sales tax paid on construction and equipment purchased for use in certain large warehouse facilities and retail distribution centers. New exemptions for coal-fired, electric generating plants (Centralia) including construction and repair of air pollution control facilities and coal consumed in such facilities. Retail sales tax on mobile homes to be collected by the retail dealer rather than the county auditor. Exemption for certain sales at nonprofit camps and conference centers. New local sales/use tax of 0.04% authorized for economically distressed rural counties, effective 7/1/98; receipts are credited against state sales/use tax. Use tax exemptions for vessel manufacturers and dealers allowing incidental (but not personal) use of boats. Financing of professional football stadium: effective 8/1/97 a new local sales/use tax of 0.016% will apply to transactions in King County with the receipts credited against the state tax. Also, sales tax will be deferred on construction costs and parking at the facility will be exempt from sales tax.	Complete rollback of all B&O service rates to 1.5%, effective 7/1/98, thereby reversing the 1993 rate increases. B&O jobs credit is increased from \$2,000 to \$4,000 if firms can demonstrate that the new positions are paid at least \$40,000 annually. Jobs credit expiration date (7/1/98) is repealed and the \$300,000 cap per firm is eliminated; program limit of \$15 million per biennium is reduced to \$11 million for 1997-99. Simplified small business credit, allowing use of a ranged table instead of calculating the \$35 credit amount. Cubing of hay and alfalfa is removed from manufacturing tax. Exemption for vehicles sold by manufacturers at wholesale auto auctions.	Exemption for small water districts with high rates for residential water service.		Enforcement (not collection) of cigarette and tobacco products taxes transferred from DOR to Liquor Control Board.	Beer excise tax rate reduced by \$1.48 per barrel.				Revision in local hotel/motel taxes; instead of state-shared 2% tax plus specified additional taxes of 2% - 3%, any city or county may levy up to 4% with credit against the state tax limited to 2%. Collection of metals mining fee transferred from DOR to DOE. Revision in application of interest for excise taxes. New local taxes for financing a professional football stadium: extension of hotel/motel tax; county admission tax of 5%; and county tax of 10% on parking.	
1998	Senior citizens exemption income and valuation limits are increased for taxes due in 1999. Valuation of commercial vessels and steamboat companies revised.	Proposed reduction in MVET if voters approve Referendum 49 in November 1998: a credit of \$30 per vehicle would be allowed and the depreciation schedule for taxable vehicle values would be reduced in the second and third years.		Elimination of requirement for purchasers of exempt manufacturing machinery to report to the Department. Taxation of computer software is clarified. Comprehensive exemption for fundraising income of nonprofit organizations. Repayment of deferred sales tax on horse racing facility extended by five years. Four-year deferral of sales tax allowed for construction of second bridge across Puget Sound at the Narrows.	Consolidation of specialized B&O tax rates: 0.011% rate for grain wholesaling eliminated and other activities shifted to lower rates, effective 7/1/98. Tax on internal distributions repealed, effective 7/1/98. Tax on royalty income reduced from 1.5% to 0.484%, effective 7/1/98. New tax credit of \$3,000 annually for five years for new employees of firms engaged in international services. Comprehensive exemption for fundraising income of nonprofit organizations. Exemption for wages paid to on-site personnel by property management firms, if paid by the property owner.								Litter tax will be reported on each tax return filed by taxpayers, rather than annually, starting 1/1/99. Collection of enhanced 911 telephone tax shifted to Department of Revenue, effective 1/1/99. Reduction in pari-mutuel tax rates.	

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1999	Local regular levies for medical services extended. New exemption for low-income rental housing owned by nonprofits.	Motor vehicle excise tax repealed by the voters (I-695), eff. 1/1/2000.	Timber tax credit, effective 1/1/2000, for harvests impacted by salmon regulations. The credit effectively reduces the tax from 5% to 4.2%.	Sales tax exemption for manufacturing machinery clarified with respect to logging and rock crushing equipment; exemption extended to testing equipment. Distressed area sales tax deferral/ exemption program changed from unemployment basis to population density basis. Authorization for local sales tax (credited against the state tax) of 0.04% changed from unemployment basis to population density basis; maximum rate increased to 0.08%. New local sales tax of 0.2% authorized for public facility districts to finance convention centers; also state-credited 0.033% sales tax. New local sales tax of 0.1% authorized in Pierce County to finance zoos. Exemption for costs related to certain landslides.	Existing B&O jobs credit in distressed areas changed to population density basis. New tax credit for employees that produce computer software in rural counties. New tax credit for income derived in rural counties from providing help-desk services to third parties. Existing tax credit for commute trip reduction program extended by six years to 6/30/2006.	Tax credit for certain contributions by electric power companies in rural counties relating to economic development.							Real estate excise tax extended to step transfers. Fish tax rate on sea urchins/cucumbers increased.	
2000	Property tax exemption for motor vehicles clarified. Initiative 722 approved by voters: limits increase in taxes for individual properties and growth in taxing district revenues; ruled unconstitutional in 2001.	Although I-695 was ruled unconstitutional, the Legislature also replaced the MVET and camper/travel trailer excise taxes with a \$30 license fee.		Exemption for agricultural field burning equipment. One additional community empowerment zone authorized. Maximum local sales tax for transit increased from 0.6% to 0.9%.	Deduction for wholesale sales of electric power.	Deduction for wholesale sales of electric power.								
2001	Farm machinery exempt from state levy. DOR to collect deferred property taxes by eligible senior citizens, instead of county treasurers. Authorization for community revitalization (tax increment) financing using local taxing district levies; does not apply to state levy. Voters approve Initiative #747 limiting growth in regular levies to 1% each year.		Timber tax exemption - growing cycle for exempt hardwoods extended from 10 to 15 years.	Change regarding resale certificates for certain taxpayers - collection of information electronically. Direct pay permits for remitting of use tax by certain taxpayers. Exemption for pharmaceuticals for livestock. Exemptions for chicken producers - fuel for heating and bedding materials. Exemptions for dairy producers - nutrient management systems and manure digesters. Exemption for pollution control equipment for electrical "peaking" plants.	Rate reduction for processors of dairy products. Deduction for public and nonprofit hospitals for Medicare income from managed care organizations. Exemption for used vehicles sold at wholesale auto auctions; auto dealers to collect B&O tax on "courtesy" sales made by out-of-state dealers. Tax credit for public utility tax paid by direct service industries.	Tax credit for tax paid by electric utilities that service direct service industries. Tax credit for electric and gas utilities for billing discounts to low-income households. Deduction for expenditures for water efficiency.		Authorization for the state to enter into contractual agreements with certain Indian tribes providing for tribal cigarette taxes. Voters approve Initiative #773 increasing cigarette tax to \$1.425 and tobacco products tax to 129.4%.						
2002			Local MVET of 2.5% authorized to finance monorail system. Voters approve Initiative #776 repealing local MVET for mass transit.	New local taxes authorized: 0.1% for emergency communication systems and 0.5% for regional transportation improvements. Proposed 1% sales tax on motor vehicles to finance statewide transportation improvements defeated by the voters.			Proposed increase in gas tax from 23¢ to 32¢ defeated by the voters.						Wireless telephone lines: new state tax of 20¢ per month and county tax increased from 25¢ to 50¢ per month. New local real estate excise tax of 0.5% authorized for affordable housing.	

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2003				Rate increased by 0.3% for sales and leases of new and used motor vehicles, effective 7/1/2003. Implementation of major provisions of Streamlined Sales Tax Agreement, making Washington's tax base more uniform with other states. New exemptions for construction and computer expenses of airplane manufacturers. New exemptions for construction and certain chemicals of semiconductor manufacturers. New exemptions for producers and sellers of biodiesel and wood biomass alternative fuels.	Due date advanced five days for monthly state excise tax reports to 20th of following month. Tax credit for commute trip reduction restored. Rate reduction and new tax credits for aerospace industry, relating to production of a "super efficient" airplane. Rate reduction and tax credit for new employees for the semiconductor industry.	Tax credit for commute trip reduction restored.	Rate increased from 23¢ to 28¢, effective 7/1/2003.	New reporting requirements for manufacturers of tobacco products and out-of-state vendors selling to Washington residents.					New fee for nursing homes of \$6.50 per patient per day; DOR to collect. New local lodging fee of \$2 per night; DOR to collect.	
2004	Increase in income and assessed value limits for senior citizens/disabled persons property tax exemption. New property tax levy of 50¢ authorized for criminal justice funding, but only for counties with up to 90,000 residents. Fire districts authorized to form regional fire protection service authorities.		Phase-out of state timber tax on public lands; commensurate phase-in of county tax, so that by 2014 the state and county taxes on both private and public lands will be identical. Property tax exemption for standing timber extended to timber on state lands (private and federal lands are already exempt).	Deferral of sales tax on construction of eligible R&D facilities and equipment for firms in five "high technology" industries extended to end of 2014; also state universities are added to the program. Deferral of sales tax on eligible construction and equipment purchases by manufacturers in rural counties and CEZs extended by six years until end of FY 2010; also Island County added to the program. Tax credits for sales tax paid by aluminum smelters through 2006. New exemptions for computer equipment used by printers and publishers.	Tax credit for R&D expenditures by firms in five "high technology" industries extended until end of 2014; calculation of the amount of credit is revised. Tax credits for computer software development firms and help-desk services that locate in rural counties extended through 2010. Tax rate reduced for licensed adult boarding homes from 1.5% to 0.275%; deduction allowed for Medicaid receipts. Tax rate reduced from 0.484% to 0.2904% for aluminum smelters through 2006. Tax credit for property taxes paid by aluminum smelters through 2006. Tax credits for firms that supply power to aluminum smelters. New exemptions established for federal grant receipts related to the small business innovation research program and the small business technology transfer program. Deduction allowed for wholesale meat processors exempting all income associated with processing beef, as long as certain import bans by other counties remain in effect. Deduction for governmental grants associated with salmon restoration programs.	Tax credit for electric companies for contributions to rural economic development is extended by six years to 2011; various other changes to the program. Tax credits for purchases of power by aluminum smelters.							Gift certificates exempt from reporting as unclaimed property.	



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2005	New exemption program for widows/widowers of veterans, similar to senior citizens/disabled persons property tax exemption.			Deferral/exemption extended to fruit and vegetable processing and cold storage facilities. Expansion of the existing tax remittance program for cold storage warehouses. Existing sales and property tax exemptions and B&O tax credits for field burning equipment are replaced by a new sales tax exemption for specific types of agricultural equipment.	New B&O tax on games of chance and pari-mutuel wagering to fund problem gambling program; tax rate is 0.1% through FY 2006, then 0.13%. Total exemption for income related to processing fresh fruit and vegetables, if the products are shipped outside the state. B&O rate reduction for manufacturing of solar energy systems; rate drops from 0.484% to 0.2904% for a ten-year period.	New tax incentive to encourage use of renewable energy resources; customers that invest in such technologies may receive an investment cost recovery of up to \$2,000 from the energy supplier, who in turn may credit these payments against public utility tax liability.	Phased-in increase in gas tax: from 28 cents to 31 cents, 7/1/2005; to 34 cents, 7/1/2006; to 36 cents, 7/1/2007; and to 37.5 cents, 7/1/2008. Aircraft fuel tax rate increased from 10 cents to 11 cents per gallon.	Increase of 60 cents in cigarette tax, bringing total to \$2.025 per pack. Tobacco products tax rate rolled back from 129.42% of the wholesale price to 75%, with a maximum tax of 50 cents per cigar. New type of cigarette tax agreement with the Puyallup tribe in which the state will receive 30% of the tribal tax receipts.	Liquor liter tax increased from \$2.44 to \$3.77 per liter.			Washington's estate tax, consisting of the federal estate tax credit for state estate taxes, was ruled unconstitutional by State Supreme Court on 2/3/2005. A new stand-alone estate tax was enacted, effective 5/17/2005. Nursing home quality maintenance fee (\$6.50 per patient per day) phased out over six years; the fee will be repealed on 7/1/2011. Changes in reporting of state real estate excise tax by counties; development of new electronic reporting system and receipts to be forwarded to State Treasurer on last day of the month starting in July 2006. New fee of \$1 per tire on replacement vehicle tires; starts July 2005 and runs for five years.		
2006	Exemption for personal property of heads of households is increased from \$3,000 to \$15,000 if HJR 4223 is approved by the voters. Increased assessed value of wind turbines exempt from levy limits. Levy for passenger ferry service broadened to any ferry service.		Local MVET authorized for regional transp. investment district. New statutory depreciation schedules for local motor vehicle excise taxes.	Exemption for diesel and aircraft fuel used on farms. Exemption for nutrient mgmt. systems extended to all livestock feeding facilities. Exemption for aluminum smelters extended for five years. Exemption for aerospace computer purchases broadened. Exemption for solar hot water heating equip. New deferral/exemption for biotechnology manufacturing facilities. Exemption for gasses and chemicals for producers of semiconductor materials broadened. Clarification of sales tax on services for insurance companies. Deferral/ exemption program for fruit vegetable processors extended to processors of dairy and seafood products. Tax increment financing: (1) new state-credited local sales tax for infra-structure financing related to hospital benefit zones, and (2) new state-credited local sales tax for local infrastructure financing relating to economic development. Max. rate for local sales tax for regional transp. investment district reduced to 0.1%. New local sales tax to finance municipal services in annexation areas. Exemption for equipment to facilitate use of auxiliary power by heavy duty truckers at truck stops.	Due date for monthly excise taxpayers moved back five days to the 25th of the following month. Reduced tax rate and credit for property taxes for aluminum smelters extended for five years. Reduced tax rate for manufacturing semiconductor materials broadened. Tax credits for aerospace manufacturing and aircraft repair broadened. Exemption for processors of fruit and vegetables will now expire on 7/1/2012, but is expanded to manufacturers of dairy and seafood products. Reduced tax rate for services performed for canners of salmon. Tax credit for workforce training costs. Deduction for income associated with sales of auxiliary power to heavy duty truckers at truck stops. B&O tax credit for the \$1.00 per gallon tax paid on syrup to produce carbonated beverages. Tax credit for contributions to motion picture competitiveness program. Reduced tax rate for timber and wood products; new surtax of 0.052% to finance riparian habitat.	Credit for billing discounts increased for FY 2007 only. Deduction for income associated with municipal transit service.							Expiration of petroleum products tax (not currently imposed) moved back to 6/1/2013. Regional transp. investment district may levy surcharge on state rental car tax. Nursing home fee (currently \$5.25 per patient per day) is repealed, 7/1/2007.	

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2007	Constitutional amendment authorized to repeal the super-majority voting requirement for special school levies, subject to approval by the voters in November 2007. Application fees for property tax exemption for nonprofit organizations eliminated. In November State Supreme Court ruled that Initiative 747 limiting the growth in regular property tax levies to 1% annually is unconstitutional; Legislature responded by enacting a new 1% limit. New property tax deferral program with no age restrictions enacted; homeowners with income up to \$57,000 may defer one-half of their annual property taxes up to 40% of the equity value in the residence.		Contractual agreement with Quinault tribe to allow a tribal timber excise tax on timber harvested on the reservation, instead of the state timber excise tax.	Final adoption of Streamlined Sales and Use Tax Agreement to make administration of sales tax more uniform throughout the nation. The agreement requires destination-based sourcing of tax on delivered goods; a mitigation program for adversely impacted local jurisdictions is included in the bill. New sales/use tax exemptions for boats either purchased by or already owned by nonresidents for up to one year, if a use permit is purchased. Innovative Partnership Zones – may qualify for funding under the "LIFT" program or the rural county local sales tax. Authorization of new 0.2% local sales tax for health sciences authority. Exemption for agricultural machinery parts is broadened to include repairs. New exemption for electronically transmitted financial data. Rate of local sales tax for rural counties is increased from 0.08 to 0.09%.	Extension of deduction for sales of biodiesel and alcohol fuel; definitions include "E85" fuel. New exemption for sales of natural or manufactured gas, if the firm is not engaged in this activity. New exemption for wholesale sales of unprocessed milk. Income from sales of standing timber is subject to B&O. New deduction for income from administering prescription drugs. New exemption for custom services provided to farmers.	Deduction allowed for agricultural products shipped to marine export facilities.							Sales of standing timber exempted from real estate excise tax.	
2008	Veterans disability and other benefits deducted from income for senior citizens exemption and deferral programs.			Exemptions for certain weatherization materials. Deferral of state/local sales/use tax on replacement of 520 floating bridge. Deferral/exemption for headquarters offices located in a CEZ. Retention of origin-based sales tax sourcing for florists under Streamlined Sales Tax. Remittance of sales tax for low-income working families based on a portion of the federal Earned Income Tax; program depends upon future authorization by the Legislature in the budget.	Rate reduction for income from Internet versions of newspapers. Credit for pre-production expenses of a polysilicon manufacturing plant with > \$500 million investment. Credit equivalent to sales tax paid on energy-efficient commercial appliances. Exemptions for beekeepers. Aerospace tax incentives are broadened to include production of tooling used in manufacturing of aircraft, all FAA certified aircraft repair, developmental expenses for all aerospace products, and reduced tax rate for aerospace product development.			New agreement authorized with the Yakama Nation providing for a tribal cigarette tax equal to 80% of state cigarette and sales taxes.						
2009	Annual updating of real property values required by 2014; program of state assistance. Current use program includes property devoted to equestrian uses; modification of income requirements for standing crops. New local levy authorized for transit purposes in King County.			Elimination of resale certificate; replaced by seller's permit issued by the Department. Exemptions for batteries and infrastructure for electric vehicles. Digital goods (music, books, movies, etc. transmitted by electronic means) are subject to sales tax. New local infrastructure financing program (LIFT-II). Local sales tax for annexation services extended to Seattle. Authorization for high capacity transit districts in Spokane and Clark counties. New exemptions for renewal energy (biomass, tidal and wave, geothermal, solar, hog fuel, etc.) for four years. Exemptions for hybrid vehicles repealed early on August 1, 2009.	Tax on nonprofit and public hospitals goes to general fund, rather than health services account. Digital goods subject to tax. Further rate reduction for manufacturing/wholesaling of solar energy systems. Permanent rate reduction to 0.2904% for newspapers.	Expiration date for exemption for electrolyte processors extended by eight years to 2019. Rate reduction from 1.8% to 1.28% for hauling of logs on public roads for four years.		Dedicated funds eliminated; all receipts go to general fund.	Dedicated funds eliminated; all receipts go to general fund.				Local room fee for lodging firms extended to King County. Replacement tire fee (\$5) continued indefinitely.	

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2010	Electronic payment of property taxes is authorized. New type of district – Community Facilities District – authorized to impose special assessments on property. Extension of exemptions for alcohol, biodiesel, and wood biomass manufacturing facilities until 2015. New exemptions for nonprofit community centers and nonprofit farmers' markets.		Leasehold tax exemption for nonprofit community centers. Requirement for timber excise taxpayers to report purchase data is continued through FY 2014.	Tax extended to candy on permanent basis and to bottled water through FY 2013. Voter referendum to continue the new sales tax on bottled water after 6/30/2012, if approved by electorate in Nov. 2010. Rural county sales tax deferral program changed from population density basis to unemployment criterion; only 13 of the current 32 counties will continue to qualify. New exemption for electric power infrastructure and equipment used in data centers that contain computer servers which are located in rural counties. New exemption for wax or ceramic materials used to create molds for casting of certain metals. Extension of exemption for clean-burning fuel vehicles until 2015. Local sales tax for public safety extended to cities at max. rate of 0.1%. Local sales tax for mental health extended to certain cities.	Service rate increased from 1.5% to 1.8% from 5/1/2010 through 6/30/2013; small business tax credit doubled for service firms on permanent basis. Economic nexus – apportionment of royalties and service income based on location of sales. Tax extended to corporate directors' fees. Extension of preferential tax rate for aircraft repair until 2024; preferential rate for aluminum smelters continued through 2016.			Cigarette tax rate increased by \$1.00 to \$3.025, 5/1/2010. Tobacco products tax increased from 75% to 95% of wholesale price; max. tax per cigar raised from 50 to 65 cents.	Beer excise tax rate increased temporarily from \$8.08 per barrel to \$23.58, 5/1/2010 through 6/30/2013.				New tax on carbonated beverages: 2 cents per 12 ounce container of canned or bottled soft drinks; tax is imposed on temporary basis from 7/1/2010 – 6/30/2013. State 911 telephone tax rate increased from 20 to 25 cents per line; tax extended to voice over the Internet (VOIP). County 911 tax increased from 50 to 70 cents per line; administration shifted to state DOR. State convention center tax – 7.0% or 2.8% of lodging at hotels with more than 60 units – transferred to a new local public facilities district. Temporary fish tax surtax on sea urchins and cucumbers continued to end of 2013.	Initiative 960 – requiring a two-thirds affirmative vote on tax increases – is temporarily repealed until 7/1/2011. New legislative task force established to review the process of measuring the benefits and effectiveness of tax preferences. Consolidation of annual “accountability” reporting requirements for tax preference participants; due date extended to end of April.
2011				Exemption for fuel used in state or county ferries. Tax extended to candy on permanent basis and to bottled water on temporary basis; however, both changes were repealed by initiative of the voters in November 2011. Exemption for machinery & equipment for research programs of public research universities, effective April 11, 2011. Exemption for meals provided without charge to employees of restaurants.	Exemption for property management companies is replaced by a deduction allowable only for nonprofit property management firms. New deduction for state funds received by nonprofit child welfare organizations.			Earmarking of the portion of the tax for education legacy account eliminated; all receipts go to general fund as of 7/1/2010.					New temporary tax of two cents per 12 ounces levied on canned & bottled carbonated beverages; however, this was repealed by initiative of the voters in November 2011. Administration of the Master Licensing System which provides licenses to all businesses transferred from DOL to DOR, effective July 1, 2011.	Initiative 1053 approved by the voters in November 2010 re-institutes 2/3 voting majority for legislative approval for new or increased taxes. Electronic filing and payment of state excise taxes mandated for all taxpayers (DOR may excuse annual reporters).
2012	ESHB 2502 changed to the designated forest land property tax program, which allows eligible forest land to be valued for property tax purposes based on its use for growing and harvesting timber instead of its highest and best use.							Retailers who provide consumers with access to a commercial roll-your-own (RYO) cigarette-making machines are placed on an equal tax footing with commercial cigarette manufacturers.	Initiative 1183 privatized the sale of spirits, approved by the voters in the November 2011 general election. The initiative made no substantive changes to the existing spirits sales and liter taxes imposed in RCW 82.08.150.	HB 2224 amended the Washington Uniform Estate Tax Apportionment Act to relieve smaller beneficiaries from having to pay a share of an estate's estate tax liability. The estate tax associated with the exonerated gifts is reapportioned among the beneficiaries receiving non-exonerated gifts.			SSB 5984 requires a financial feasibility review before a public facilities district (PFD) may form. Resulted from bond default of Wenatchee PFD.	
2013				2E2SHB 1971 Eliminates the state and local sales and use tax exemption for local residential landline service, as well as coin-operated telephone service;	ESHB 1947 This bill primarily provides a funding mechanism for operations of the Washington Health Benefit Exchange. The bill also provides a B&O tax exemption that expires June 30, 2023. The exemption applies both prospectively and retrospectively.					EHB 2075 Ensuring that taxable transfers under Washington's estate tax include any shifting in economic benefits, powers, or privileges in property that occur when a spouse's interest in that property is extinguished; Including qualified terminable interest property (QTIP) property in the Washington taxable estate when the second spouse dies, regardless of whether that spouse's interest in the property was acquired before May 17, 2005;			Washington voters adopted this initiative regarding the production, distribution, and sale of recreational marijuana in November 2012. The Washington Liquor Control Board (LCB) is responsible administering a 25 percent excise tax on each level of production, distribution, and sale to consumers. The Department is responsible for collecting business and occupation (B&O) tax, retail sales tax, and use tax in connection with marijuana-related business and sales activities. The Department is also responsible for processing marijuana producer, processor, and retailer licenses granted by the LCB.	SSB 5718 This bill allows the Legislature to monitor the progress toward the development and implementation of the MyAccount business portal, a single, web-based location through which businesses may conduct all interactions with state government.