

## Options for increasing state sales tax temporarily

---

**Description** This proposal would temporarily increase the state sales tax rate:

- **Option 125** - From 6.5% to 7.5%
- **Option 127** - From 6.5% to 6.9%
- **Option 128** - From 6.5% to 6.6%

This temporary increase would expire on July 1, 2015.

---

**Revenue Impact**

General Fund Impacts (\$ millions):

Option	Rate Increase	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
125	6.5% to 7.5%	\$0	\$990.4	\$990.4
127	6.5% to 6.9%	\$0	\$398.8	\$398.8
128	6.5% to 6.6%	\$0	\$100.0	\$100.0

*Notes:*

- *Local government revenues will decrease due to a reduction in taxable sales due to the higher tax rate (elasticity).*
  - *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
  - *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*
- 

**Expenditure Impact**

Rate Increase	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
All Options	\$189,300	\$449,600	\$638,900

*Note: Expenditures assume that the lodging caps statutes (RCW 82.14.410 & 67.28.181) will be amended; increasing the sales tax rate without amending the statutes will cause many jurisdictions to exceed the cap.*

---