

## Increase hazardous substance tax from 0.7% to 2.0% of wholesale value

### Description

This proposal would:

- Increase the hazardous substance tax rate from its current 0.7% rate to 2.0%.
- Deposit 0.7% of the tax receipts to the state and local toxics control accounts to fund activities provided under the Model Toxics Control Act.
- Deposit the remaining 1.3% of the tax receipts to the general fund.

### Current Law

Chapter 82.21 RCW currently imposes a tax of 0.7% on the first possession of hazardous substances in this state. The tax is based on the wholesale value of the following hazardous substances:

- Petroleum products;
- Pesticide products that are required to be registered under the federal Insecticide, Fungicide and Rodenticide Act (FIFRA);
- Substances defined as hazardous under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA); and
- Other substances or products that the Department of Ecology (DOE) determines by rule as hazardous.

### Revenue Impact

General Fund Impact (\$ in millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$239.2	\$239.2

Notes:

- 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

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$13,000	\$0	\$13,000