

# SPECIAL NOTICE

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For further information contact:  
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## Pesticides and the Hazardous Substance Tax

Persons that sell, apply, and use pesticides in Washington may be subject to the hazardous substance tax. The hazardous substance tax is not a new tax. It has been in effect since March 1, 1989.

It is the intent of the Revised Code of Washington (RCW) 82.21.030 to impose a tax only once for each hazardous substance possessed in this state. The tax is to be paid by the first possessor of the hazardous substance. Sellers of pesticides and persons applying pesticides, such as farmers can all potentially be the first possessor in Washington of hazardous substances and subject to the hazardous substance tax. Successive possessors of a hazardous substance after the hazardous substance tax has been paid are exempt from the tax.

### WHAT PESTICIDES ARE SUBJECT TO HAZARDOUS SUBSTANCE TAX?

Any pesticide product required to be registered under section 136a of the federal insecticide, fungicide and rodenticide act, 7 U.S.C. Sec. 136 et seq., as amended by Public Law 104-170 on August 3, 1996.

### WHO PAYS THE HAZARDOUS SUBSTANCE TAX?

The hazardous substance tax is a tax imposed on the privilege of possession of hazardous substances in the state of Washington. The person who first possesses the hazardous substance in Washington is liable for the tax. The law defines the following terms:

- **Possession** — means the control of a hazardous substance located within this state and includes both actual and constructive possession.
- **Actual possession** — occurs when the person with control has physical possession.
- **Constructive possession** — occurs when the person with control does not have physical possession.
- **Control** — means the power to sell or use a hazardous substance or to authorize the sale or use by another.

### HOW IS HAZARDOUS SUBSTANCE TAX PAID?

The hazardous substance tax is paid on the Combined Excise Tax Return (CETR) under the Other Taxes Section on page 2. The tax rate is seven-tenths of one percent (0.007), and is multiplied by the wholesale value

(more)



of the substance. "Wholesale value" means the fair market value determined by the wholesale selling price. Moneys collected for this tax are deposited in the state Toxics Control Accounts.

#### EXEMPTIONS AND CREDITS

An exemption is available for any successive possession of a previously taxed hazardous substance. This exemption is evidenced by one of the following:

- Certification of previously taxed hazardous substance.
- Invoices or billings from in-state suppliers which reflect their payment of the tax.
- Bills of lading or delivery documents that reveal an in-state source of the hazardous substances.

An exemption is available for any possession of a hazardous substance by a natural person for a personal or non-business purpose used by the same natural person, a relative, or person residing with the natural person.

A credit is available to offset the hazardous substance tax for any hazardous substance tax paid to another state with respect to the same hazardous substance. The amount of the credit cannot exceed the Washington hazardous substance tax liability.