

**Washington State Remote Sales Tax Revenue Estimate**  
**Estimate Based on Federal Legislation: Remote Transactions Parity Act of 2015**  
**Assumed Effective Date: July 1, 2018 <sup>1</sup>**

	All \$'s in millions								
	FY 2018	FY 2019	2017-19 Biennium	FY 2020	FY 2021	2019-21 Biennium	FY 2022	FY 2023	2021-23 Biennium
Estimated Remote Sales - State Sales Tax Loss	\$254.7	\$271.6	\$526.3	\$289.4	\$308.2	\$597.6	\$328.4	\$350.2	\$678.5
Estimated Remote Sales - Local Sales Tax Loss	\$98.1	\$104.6	\$202.8	\$111.5	\$118.7	\$230.2	\$126.5	\$134.9	\$261.4
Estimated Remote Sales - Total WA Sales Tax Loss <sup>2</sup>	\$352.8	\$376.3	\$729.1	\$400.9	\$426.9	\$827.8	\$454.9	\$485.1	\$939.9
Small Seller Phase-In <sup>3</sup>	\$0.0	(\$4.6)	(\$4.6)	(\$3.3)	(\$1.7)	(\$5.0)	\$0.0	\$0.0	\$0.0
<b>Total Potential WA Remote Sales Tax Revenue <sup>4</sup></b>	\$352.8	\$371.7	\$724.5	\$397.7	\$425.1	\$822.8	\$454.9	\$485.1	\$939.9
Compliance Factor	---	50%	---	75%	90%	---	90%	90%	---
Estimated Remote Sales - State Tax Revenue Collections	\$0.0	\$122.9	\$122.9	\$215.4	\$276.4	\$491.8	\$295.7	\$315.3	\$611.0
Estimated Remote Sales - Local Tax Revenue Collections	\$0.0	\$47.3	\$47.3	\$82.8	\$106.3	\$189.1	\$113.7	\$121.2	\$234.9
<b>Total Estimated WA Remote Sales Tax Revenue Collections <sup>5</sup></b>	\$0.0	\$170.2	\$170.2	\$298.2	\$382.6	\$680.9	\$409.4	\$436.5	\$845.9

Estimate prepared by Research & Fiscal Analysis Division, Washington State Department of Revenue, September 2016.

<sup>1</sup> The effective date assumes that this legislation passes in the second quarter of 2017 and that certified software providers are in place prior to this date.

Due to the effective date, FY 2019 assumes 11 months of cash collections.

<sup>2</sup> This estimate does not include remote sales made by individual persons on marketplace platforms.

<sup>3</sup> The small remote seller phase-in applies such that firms with gross annual receipts less than the following amounts are exempt:

Year 1: \$10 million

Year 2: \$5 million

Year 3: \$1 million

Year 4 and thereafter: No exemption

<sup>4</sup> "Total Potential WA Remote Sales Tax Revenue" represents the total universe of sales tax revenue that Washington is not collecting from remote sales under current law and is adjusted for the new presumption of nexus for click-through retail transactions that became effective 9/1/15 in Washington as a result of ESSB 6138.

<sup>5</sup> "Total Estimated WA Remote Sales Tax Revenue Collections" represents the portion of the total potential remote sales tax revenue that the Department can realistically expect to collect after this legislation is passed, when taking compliance factors into consideration.

**Data Sources:**

2014 US Census Bureau E-Stats, E-Commerce Multi-Sector Data Tables

2014 US Bureau of Economic Analysis, State and National GDP

2014 Forrester Research, US Online Retail Spending Forecast

2015 Top 1,000 Online Retailer Data

2015 eMarketer, Retail E-Commerce Sales, by Country

2016 Washington State Department of Revenue, Statewide Average Local Tax Rate