



STATE OF WASHINGTON
DEPARTMENT OF REVENUE
OFFICE OF THE DIRECTOR

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June 30, 2021

TO: Brad Hendrickson, Secretary
Washington State Senate

Bernard Dean, Chief Clerk
Washington State House of Representatives

FROM: Michael B. Bailey, Legislative and External Affairs Liaison
Washington State Department of Revenue

SUBJECT: 2020 Tax Exemption Study

The 2020 Tax Exemption Study was originally submitted to you on January 10, 2020, pursuant to RCW 43.06.400. The attached is an update to correct a wording error within the Business and Occupation Tax Chapter, specifically for the description of the architectural paint assessment fee exemption found in RCW 82.04.765. This change has no impact on the analysis, revenue impacts, charts or summary of findings provided in the study. We have updated the study on our agency website and we are providing this pdf version to you for updating on the legislative website.

Study covers 748 tax exemptions

There are currently 748 tax exemptions for major Washington state and local tax sources. The estimated savings in state and local taxes for taxpayers resulting from these exemptions total \$138.8 billion for the 2019-21 Biennium. For each exemption, the following is provided:

- A brief description,
- The purpose of the exemption,
- Taxpayer savings,
- Potential revenue gains from a full repeal of the exemption, and
- Additional information such as the year of enactment and the primary beneficiaries.

Study provided electronically

In an effort to reduce the cost of producing this study, we are providing it to you electronically.

The report is also available on our website at: <https://dor.wa.gov/about/statistics-reports/tax-exemptions-2020>.

If you have questions about this report, please contact Kathy Oline, Assistant Director of Research and Fiscal Analysis, at (360) 534-1534.

Attachment