

# Public Utility Tax

**RCW** Chapter 82.16

**Tax Base** Gross income from the operation of public and privately owned utilities for services including transportation, communications, and the distribution of energy or water. In lieu of the business and occupation tax, this tax applies only to sales to consumers.

Tax exemptions may reduce these taxes.  
 For more information, refer to the [Tax Exemption Study](#).

**Tax Rate** Six different rates apply, depending upon the specific utility activity:

Classification	Rate
Distribution of water	5.029%
Generation/distribution of electrical power	3.8734%
Log transportation	1.3696%
Telegraph companies, distribution of natural gas, and collection of sewage	3.852%
Urban transportation and watercraft vessels under 65 feet in length	0.642%
Motor transportation, railroads, railroad car companies, and all other public service businesses	1.926%

**Recent Collections (\$000)**

Fiscal Year	Collections	% Change	% of All State Taxes
2021	\$439,708	3.9%	1.5%
2020	\$423,230	0.4%	1.6%
2019	\$421,737	0.1%	1.6%
2018	\$421,403	-1.1%	1.8%
2017	\$425,985	1.3%	1.9%
2016	\$420,623	5.0%	2.1%
2015	\$400,482	-3.2%	2.1%
2014	\$413,682	4.6%	2.3%
2013	\$395,622	4.9%	2.3%
2012	\$377,245	-5.8%	2.3%

# Public Utility Tax

---

**Distribution of Receipts**     The General Fund receives all these taxes except for the following deposits into the Education Legacy Trust Account:

- 20% of receipts from the 4.7% tax on water distribution.
- 60% of receipts from the 3.6% tax on sewerage collection.

Beginning July 1, 2023, the Education Legacy Trust Account receives these taxes rather than the Public Works Assistance Account.

---

**Levied by**             State

---

**Administration**     Department of Revenue

---

**History**                A comprehensive history of the public utilities tax can be found at [History of Major Washington Taxes](#).