

Public Utility District Privilege Tax

RCW Chapter 54.28

Tax Base Amounts received by a public utility district (PUD) for the sale of electricity the district generated, transmitted, or distributed.

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

Tax Rate For hydroelectric dams and other electricity generating facilities:

- 2% on sales of power distributed through a district’s own distribution systems to consumers.
- 5% on the first 4 mils per kilowatt hour for either:
 - The wholesale value of self-generated energy distributed to a district’s customers.
 - The revenue from the resale of self-generated energy.

For thermal electric generating facilities:

- 1.5% of the wholesale value of energy produced for sale or use.

An additional 7% surtax applies to all of the above.

Recent Collections (\$000)

Fiscal Year	Collections	% Change	% of All State Taxes
2021	\$58,579	0.4%	0.2%
2020	\$58,356	-0.4%	0.2%
2019	\$58,608	2.9%	0.2%
2018	\$56,942	5.6%	0.2%
2017	\$53,903	5.3%	0.2%
2016	\$51,180	0.5%	0.3%
2015	\$50,924	3.2%	0.3%
2014	\$49,342	3.2%	0.3%
2013	\$47,816	6.7%	0.3%
2012	\$44,815	12.9%	0.3%

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Distribution of Receipts Hydroelectric dams and other electricity generating facilities taxes distribute as follows:

- 4% to the General Fund.
- The other 96% splits with:
 - 37.6% going to the General Fund for public schools.
 - The rest going proportionately to the counties with a generating facility.

Thermal electric generating facilities taxes distribute as follows:

- 4% to the General Fund.
- The other 96% splits with:
 - 50% going to the General Fund for public schools.
 - 22% going to counties.
 - 23% going to cities.
 - 3% going to fire protection districts.
 - 2% going to library districts.

The General Fund receives all of the 7% surtax.

Levied by State and cities

Cities may tax PUD facilities located within city boundaries based on gross revenues from the sale of electricity to consumers within the city.

Administration Department of Revenue

Public utility districts report and pay the tax using the PUD Privilege Tax Return by February 25 for the prior year.

History

2021 Changed the due date to February 25th and directed the state treasurer to distribute the taxes at the same time as local sales and use tax distributions.

2018 Beginning January 1, 2018, required the public utilities districts to calculate the tax due instead of the department. Also allowed the public utility districts to report the PUD privilege tax at the same frequency as their excise tax returns.

2017 The PUD privilege tax became subject to the general administrative provisions of RCW Title 82.

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- 2011 Specified special tax receipts distribution for certain districts.
 - 2010 Added “regularly recurring charge billed to consumers as a condition of receiving electric energy” to the definition of gross income.
 - 2004 Clarified that when public utility districts provide wholesale telecommunications services they must separately account for those revenues.
 - 1983 Made the surtax permanent.
 - 1982 Added a surtax of 7% to the PUD tax rates.
 - 1977 Established the 1.5% rate on wholesale value of power for nuclear generating plants at Hanford.
 - 1959 Changed the rate structure by adding a millage rate of the first 4 mils.
 - 1949 Changed the rate structure to include the tax on self-generated energy.
 - 1941 Enacted the PUD privilege tax at the rate of 2%.
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