

Special Notice

Intended audience: Stewardship organizations, producers, sellers, and consumers.

July 26, 2024

Mercury-containing lights: Environmental handling charges and related B&O tax exemption

Is this a new program?

No. Producers and retailers of certain mercury-containing lights are required to add an environmental handling charge (EHC) to the selling price. Currently, the fee is 95 cents for each mercury-containing light sold at retail in or into Washington state until December 31, 2028.

The 95 cent EHC goes towards a recycling program.

What changed?

[ESSHB 1185](#) extends the business and occupation (B&O) tax exemption for EHCs on certain mercury-containing lights and expands the exemption to include amounts received by a stewardship organization from participating producers and legacy producers to cover operational and administrative costs.

Beginning January 1, 2030, the operational and administrative costs of the program must be paid with revenues received from participating producers and legacy producers.

The stewardship organization will not owe B&O tax on the revenues received from the producers. This B&O tax exemption expires December 31, 2034.

Is the EHC subject to B&O tax?

No. Producers and retailers may take a deduction from the B&O tax for the EHC included in the selling price using the “Other” deduction with a description such as “Environmental handling charge B&O tax exemption.”

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For tax assistance or to request this document in an alternate format, visit dor.wa.gov or call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.

Is the EHC subject to retail sales tax?

Yes. The EHC is considered part of the selling price, and the seller must collect sales tax.

Questions?

For general questions, call us at 360-705-6705.

For questions about the EHC or the product stewardship program, visit the Department of Ecology website at ecology.wa.gov/regulations-permits/guidance-technical-assistance/mercury-lights-guidance.