



For more information, contact:

Kim Schmanke

Desk 360-534-1602 | Cell 360-688-6102

Follow us on Twitter: @WAStateDOR

New tool increases transparency of state tax incentives

OLYMPIA – Sept. 8, 2016 – The public and policymakers have a new tool at their fingertips to learn more about the value of many state tax incentives.

The Washington State Department of Revenue (Revenue) is introducing the use of interactive software to share data about certain tax preferences, including those for the aerospace, renewable energy and manufacturing industries. Users can apply different filters to see who has taken a particular tax incentive, which businesses saw the greatest tax benefit in a given year, or view the different tax preferences taken by a business.

“State law has created a system of checks and balances between the public’s interest in knowing how businesses are taxed and the legal protections that prohibit sharing certain tax information,” said Vikki Smith, Revenue’s director. “Tools like this make the data more accessible and easy to understand, which increases transparency for all.”

The tool – [linked here](#) – includes data from calendar years 2004 through 2015 for tax incentives that require businesses to file an annual report or survey with Revenue.

Revenue has also posted information filed in May 2016 for incentives taken in the 2015 calendar year on the [Tax Incentive Public Disclosure Reports](#) page.

This data is normally reported in late spring, validated over the summer, and published in December in conjunction with the [Descriptive Statistics](#), a comprehensive report of the various tax preferences.

Revenue’s decision to publish the preliminary tax incentive filings now is the agency’s most recent move to increase transparency and public access to information about the state’s tax system.

Over the next few months, Revenue staff will validate the data each business provided and post an updated set of report and survey data in December 2016. That updated information will be the basis of the *Descriptive Statistics* report for calendar year 2015.

Starting in 2017, Revenue will post the surveys and reports and update the interactive data tool by June 30, September 30 and December 31 each year. Businesses often seek filing extensions, and the various release dates coincide with those extension deadlines.

Related links:

- [List of annual surveys and annual reports](https://fortress.wa.gov/dor/efile/MyAccount/TaxIncentivePublicDisclosure/)
(<https://fortress.wa.gov/dor/efile/MyAccount/TaxIncentivePublicDisclosure/>)
- [2016 Tax Exemption Study](http://dor.wa.gov/content/aboutus/statisticsandreports/2016/Tax_Exemptions_2016/Default.aspx) (provides background on all tax exemptions)
(http://dor.wa.gov/content/aboutus/statisticsandreports/2016/Tax_Exemptions_2016/Default.aspx)

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About Revenue

The Department of Revenue is Washington state's primary tax administration agency, nationally recognized for innovation and service quality. Revenue collected \$20.8 billion in tax revenues in Fiscal Year 2015. These funds support education, social services, health care, corrections, public safety, natural resources conservation and other public services.