

## REVENUE Impact of Revenue Alternatives

November 2017 Forecast

Please note that estimates provided do not reflect a policy position by the Department and are solely to assist you in exploring options under development.

Prepared by Research & Fiscal Analysis - December 2017

#	Description of Alternative	# of Impacted Taxpayers	State General Fund REVENUE Impact <sup>1</sup> (\$ millions)								
			FY 2018 <sup>2</sup>	FY 2019 <sup>2</sup>	2017-19 Biennium	FY 2020	FY 2021	2019-21 Biennium	FY 2022	FY 2023	2021-23 Biennium
<b>RETAIL SALES/USE TAX - Rate Increase</b>											
1	Increase state rate from 6.5% to 6.6%	220,000	\$ -	\$ 162.7	\$ 162.7	\$ 169.8	\$ 176.5	\$ 346.3	\$ 184.6	\$ 192.6	\$ 377.3
2	Increase state rate from 6.5% to 7.0%	220,000	\$ -	\$ 810.1	\$ 810.1	\$ 845.3	\$ 878.5	\$ 1,723.9	\$ 919.2	\$ 958.9	\$ 1,878.1
3	Increase state rate from 6.5% to 7.5%	220,000	\$ -	\$ 1,611.4	\$ 1,611.4	\$ 1,681.6	\$ 1,747.6	\$ 3,429.1	\$ 1,828.6	\$ 1,907.4	\$ 3,736.0
4	Increase state sales tax rate on food and drinks at restaurants from 6.5% to 7.5%	15,200	\$ -	\$ 132.0	\$ 132.0	\$ 137.4	\$ 142.8	\$ 280.1	\$ 149.6	\$ 156.4	\$ 306.0
5	Increase state sales tax rate on boats, boat trailers and travel trailers from 6.5% to 7.0%	900	\$ -	\$ 7.1	\$ 7.1	\$ 7.9	\$ 8.3	\$ 16.2	\$ 8.6	\$ 8.9	\$ 17.5
<b>RETAIL SALES/USE TAX - Tax Base Expansion (except services)</b>											
6	Shift sewerage and refuse collection to retailing B&O tax and retail sales tax	1,000	\$ -	\$ 35.3	\$ 35.3	\$ 40.7	\$ 42.9	\$ 83.6	\$ 45.2	\$ 47.6	\$ 92.8
7	Repeal sales tax exemption for motor vehicle fuel	1,850	\$ -	\$ 660.8	\$ 660.8	\$ 703.2	\$ 742.3	\$ 1,445.5	\$ 775.9	\$ 802.7	\$ 1,578.6
8	Repeal warehouse-grain elevator-distribution center sales & use tax remittance	50	\$ -	\$ 5.8	\$ 5.8	\$ 5.8	\$ 5.8	\$ 11.6	\$ 5.8	\$ 5.8	\$ 11.6
9	Repeal sales tax exemption for food and food ingredients	89,700	\$ -	\$ 1,035.0	\$ 1,035.0	\$ 1,140.6	\$ 1,152.3	\$ 2,293.0	\$ 1,164.2	\$ 1,176.1	\$ 2,340.3
10	Repeal sales and use tax exemptions for candy and gum	172,000	\$ -	\$ 45.7	\$ 45.7	\$ 50.4	\$ 51.2	\$ 101.5	\$ 51.6	\$ 52.0	\$ 103.5
11	Repeal sales tax exemption for food products baked and sold onsite	5,000	\$ -	\$ 24.4	\$ 24.4	\$ 27.9	\$ 29.3	\$ 57.2	\$ 30.8	\$ 32.3	\$ 63.1
12	Require full sales tax on all vending machine items sold	600	\$ -	\$ 1.4	\$ 1.4	\$ 1.6	\$ 1.6	\$ 3.2	\$ 1.7	\$ 1.7	\$ 3.4
13	Repeal sales tax exemption for items used in interstate commerce	150	\$ -	\$ 80.1	\$ 80.1	\$ 90.3	\$ 92.8	\$ 183.2	\$ 95.5	\$ 98.1	\$ 193.6
14	Repeal sales tax exemption for labor and services on public road construction	500	\$ -	\$ 12.3	\$ 12.3	\$ 31.2	\$ 47.2	\$ 78.4	\$ 63.6	\$ 64.2	\$ 127.9
15	Repeal sales and use tax exemptions for OTC drugs purchased with a prescription	2,100	\$ -	\$ 30.1	\$ 30.1	\$ 34.0	\$ 35.1	\$ 69.1	\$ 36.4	\$ 37.6	\$ 74.0
16	Repeal sales tax exemption for newspapers	15,000	\$ -	\$ 5.5	\$ 5.5	\$ 5.8	\$ 5.6	\$ 11.4	\$ 5.4	\$ 5.2	\$ 10.6
<b>Machinery and equipment (M&amp;E) exemption:</b>											
17	Repeal sales tax exemption for manufacturing machinery & equipment (M&E exemption)	15,000	\$ -	\$ 268.9	\$ 268.9	\$ 309.9	\$ 326.1	\$ 636.1	\$ 343.2	\$ 361.2	\$ 704.4
18	Limit M&E exemption to machinery and equipment used exclusively for manufacturing	12,000	\$ -	\$ 19.9	\$ 19.9	\$ 22.9	\$ 24.1	\$ 47.0	\$ 25.4	\$ 26.7	\$ 52.0
<b>Trade-in exclusion:</b>											
19	Repeal trade-in exclusion for all products from sales tax - RCW 82.08.010(1)	2,300	\$ -	\$ 123.6	\$ 123.6	\$ 135.3	\$ 134.2	\$ 269.4	\$ 133.1	\$ 132.1	\$ 265.2
20	Repeal trade-in exclusion for boats, trailers, mobile homes, appliances	120	\$ -	\$ 8.1	\$ 8.1	\$ 9.3	\$ 9.7	\$ 19.0	\$ 10.0	\$ 10.4	\$ 20.5
21	Repeal trade-in exclusion for motor vehicles only	900	\$ -	\$ 101.0	\$ 101.0	\$ 109.9	\$ 108.2	\$ 218.1	\$ 106.4	\$ 104.7	\$ 211.2
22	Trade-in exclusion - limit ALL trade-ins to \$10,000	1,000	\$ -	\$ 37.1	\$ 37.1	\$ 40.6	\$ 40.3	\$ 80.9	\$ 40.0	\$ 39.7	\$ 79.8
<b>Nonresident exemption:</b>											
23	Repeal exemption for nonresidents (states, possessions, and provinces <3.0% sales tax)	4,600	\$ -	\$ 28.9	\$ 28.9	\$ 32.6	\$ 33.5	\$ 66.1	\$ 34.8	\$ 35.9	\$ 70.7
24	Nonresident refund program (states, possessions, and provinces <3.0% sales tax)	100,000	\$ -	\$ 25.6	\$ 25.6	\$ 28.9	\$ 29.7	\$ 58.6	\$ 30.8	\$ 31.8	\$ 62.7

**REVENUE Impact of Revenue Alternatives**  
November 2017 Forecast

Please note that estimates provided do not reflect a policy position by the Department and are solely to assist you in exploring options under development.

Prepared by Research & Fiscal Analysis - December 2017

#	Description of Alternative	# of Impacted Taxpayers	State General Fund REVENUE Impact <sup>1</sup> (\$ millions)								
			FY 2018 <sup>2</sup>	FY 2019 <sup>2</sup>	2017-19 Biennium	FY 2020	FY 2021	2019-21 Biennium	FY 2022	FY 2023	2021-23 Biennium
<b>Farm consumables:</b>											
25	Repeal exemption for replacement parts and repair services	3,600	\$ -	\$ 9.6	\$ 9.6	\$ 10.8	\$ 11.1	\$ 21.9	\$ 11.5	\$ 11.8	\$ 23.3
26	Repeal exemption for fertilizers, sprays, and washes sold to farmers - RCW 82.04.050(10)	1,700	\$ -	\$ 71.1	\$ 71.1	\$ 81.4	\$ 85.5	\$ 166.8	\$ 89.8	\$ 94.2	\$ 184.0
27	Repeal exemption for leased irrigation equipment	1,000	\$ -	\$ 2.9	\$ 2.9	\$ 3.3	\$ 3.4	\$ 6.7	\$ 3.5	\$ 3.6	\$ 7.1
28	Repeal exemption for diesel, biodiesel, and aircraft fuel for farm use	140	\$ -	\$ 4.1	\$ 4.1	\$ 4.4	\$ 4.4	\$ 8.8	\$ 4.4	\$ 4.4	\$ 8.8
29	Repeal exemption for propane for heating chicken barns	140	\$ -	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.4	\$ 0.2	\$ 0.2	\$ 0.4
30	Repeal exemption for farm equipment auction sales	1,200	\$ -	\$ 3.0	\$ 3.0	\$ 3.4	\$ 3.5	\$ 6.9	\$ 3.6	\$ 3.7	\$ 7.3
31	Limit exemption for fertilizers, sprays, or washes to approved organic products only	1,700	\$ -	\$ 56.9	\$ 56.9	\$ 65.1	\$ 68.4	\$ 133.5	\$ 71.8	\$ 75.4	\$ 147.2
32	Repeal exemption for chicken bedding materials	60	\$ -	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.9	\$ 0.5	\$ 0.5	\$ 0.9
<b>BUSINESS &amp; OCCUPATION TAX - Rate Increases</b>											
<b>Increase B&amp;O tax rate:</b>											
33	0.3% increase on service businesses	175,000	\$ -	\$ 347.0	\$ 347.0	\$ 396.3	\$ 416.3	\$ 812.6	\$ 437.9	\$ 461.1	\$ 899.0
34	5% surtax on all B&O tax rates	505,000	\$ -	\$ 202.1	\$ 202.1	\$ 230.5	\$ 240.9	\$ 471.4	\$ 251.6	\$ 262.9	\$ 514.5
35	10% surtax on all B&O tax rates	505,000	\$ -	\$ 404.1	\$ 404.1	\$ 461.1	\$ 481.7	\$ 942.8	\$ 503.3	\$ 525.8	\$ 1,029.1
36	25% surtax on all B&O tax rates	505,000	\$ -	\$ 1,010.3	\$ 1,010.3	\$ 1,152.8	\$ 1,204.3	\$ 2,357.1	\$ 1,258.2	\$ 1,314.5	\$ 2,572.7
37	Increase retailing B&O tax from 0.471% to 0.484% - RCW 82.04.250(1)	206,000	\$ -	\$ 25.9	\$ 25.9	\$ 29.6	\$ 30.8	\$ 60.4	\$ 32.1	\$ 33.5	\$ 65.6
38	Increase manufacturing rate for petroleum fuels to 1%	5	\$ -	\$ 44.7	\$ 44.7	\$ 47.1	\$ 46.3	\$ 93.4	\$ 46.1	\$ 45.8	\$ 91.9
39	Increase B&O tax rate on financial institutions with windfall profits	21	\$ -	\$ 84.8	\$ 84.8	\$ 89.1	\$ 93.7	\$ 182.8	\$ 98.4	\$ 103.3	\$ 201.7
<b>Preferential B&amp;O Tax Rates:</b>											
40	Repeal all preferential B&O tax rates, excluding aerospace and radioactive waste clean-up	12,400	\$ -	\$ 175.8	\$ 175.8	\$ 200.6	\$ 209.6	\$ 410.2	\$ 219.0	\$ 228.7	\$ 447.7
41	Reduce benefit of all preferential B&O tax rates by 25%, excluding aerospace and radioactive waste clean-up	12,400	\$ -	\$ 43.9	\$ 43.9	\$ 50.1	\$ 52.4	\$ 102.5	\$ 54.7	\$ 57.1	\$ 111.8
42	Repeal preferential B&O tax rate for meat processors	250	\$ -	\$ 19.9	\$ 19.9	\$ 22.8	\$ 23.7	\$ 46.5	\$ 24.7	\$ 25.7	\$ 50.4
43	Repeal preferential B&O tax rate for international investment management services	790	\$ -	\$ 25.7	\$ 25.7	\$ 29.5	\$ 31.0	\$ 60.5	\$ 32.5	\$ 34.2	\$ 66.7
44	Repeal preferential B&O tax rate for flour and oil manufacturing	5	\$ -	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.4	\$ 0.2	\$ 0.2	\$ 0.4
45	Repeal preferential rate for prescription drug wholesalers	30	\$ -	\$ 17.8	\$ 17.8	\$ 19.4	\$ 19.4	\$ 38.8	\$ 19.4	\$ 19.4	\$ 38.8
<b>BUSINESS &amp; OCCUPATION TAX - Tax Base Expansion</b>											
46	Repeal deduction for federal and state tax on motor fuel	1,925	\$ -	\$ 11.6	\$ 11.6	\$ 14.0	\$ 14.9	\$ 29.0	\$ 15.8	\$ 16.5	\$ 32.3
47	Repeal exemption for shared real estate commissions - RCW 82.04.255	13,200	\$ -	\$ 42.0	\$ 42.0	\$ 45.5	\$ 47.3	\$ 92.8	\$ 49.2	\$ 51.2	\$ 100.4
48	Repeal deduction for membership dues and fees - RCW 82.04.4282	875	\$ -	\$ 12.2	\$ 12.2	\$ 13.9	\$ 15.7	\$ 29.5	\$ 17.2	\$ 17.9	\$ 35.1

**REVENUE Impact of Revenue Alternatives**  
November 2017 Forecast

Please note that estimates provided do not reflect a policy position by the Department and are solely to assist you in exploring options under development.

Prepared by Research & Fiscal Analysis - December 2017

#	Description of Alternative	# of Impacted Taxpayers	State General Fund REVENUE Impact <sup>1</sup> (\$ millions)								
			FY 2018 <sup>2</sup>	FY 2019 <sup>2</sup>	2017-19 Biennium	FY 2020	FY 2021	2019-21 Biennium	FY 2022	FY 2023	2021-23 Biennium
49	Limit import exemption to aerospace	2,000	\$ -	\$ 26.1	\$ 26.1	\$ 64.7	\$ 68.1	\$ 132.8	\$ 71.7	\$ 75.4	\$ 147.1
50	Limit import exemption to sales that become an ingredient or component of a product in this state.	1,200	\$ -	\$ 6.3	\$ 6.3	\$ 14.2	\$ 21.9	\$ 36.1	\$ 30.1	\$ 31.0	\$ 61.1
51	Repeal B&O tax deduction for first mortgage interest	200	\$ -	\$ 37.9	\$ 37.9	\$ 43.5	\$ 45.7	\$ 89.2	\$ 48.0	\$ 50.4	\$ 98.4
52	Limit B&O tax exemption for individual earnings to \$250,000	14,000	\$ -	\$ 29.8	\$ 29.8	\$ 122.3	\$ 133.4	\$ 255.7	\$ 139.7	\$ 146.3	\$ 286.0
53	Limit B&O tax deduction for tuition fees to non-profit educational institutions	70	\$ -	\$ 2.1	\$ 2.1	\$ 2.4	\$ 2.5	\$ 4.9	\$ 2.7	\$ 2.8	\$ 5.4
54	Repeal B&O tax exemption for state-chartered credit unions	40	\$ -	\$ 4.1	\$ 4.1	\$ 4.8	\$ 5.0	\$ 9.8	\$ 5.3	\$ 5.6	\$ 10.8
55	Impose service B&O tax on gross income from long-term real estate rentals	25,000	\$ -	\$ 7.2	\$ 7.2	\$ 15.9	\$ 24.3	\$ 40.2	\$ 32.9	\$ 33.4	\$ 66.3
56	Repeal B&O tax exemption for cities that share sewer services	75	\$ -	\$ 1.8	\$ 1.8	\$ 2.0	\$ 2.1	\$ 4.1	\$ 2.2	\$ 2.3	\$ 4.6
57	Repeal B&O tax exemption for employee wages	2,800,000	\$ -	\$ 195.0	\$ 195.0	\$ 894.2	\$ 936.4	\$ 1,830.6	\$ 980.5	\$ 1,026.7	\$ 2,007.3
58	Close B&O tax loophole that allows out-of-state printers to sell into WA without paying B&O tax	240	\$ -	\$ 0.4	\$ 0.4	\$ 0.7	\$ 0.9	\$ 1.6	\$ 0.9	\$ 0.9	\$ 1.8
<b>B&amp;O Tax Exemption for Farmers:</b>											
59	Repeal B&O tax exemption for all farmers	46,000	\$ -	\$ 44.0	\$ 44.0	\$ 49.0	\$ 51.0	\$ 100.0	\$ 52.0	\$ 54.0	\$ 106.0
60	Repeal B&O tax exemption for farmers whose annual gross income exceeds \$200,000	4,200	\$ -	\$ 42.0	\$ 42.0	\$ 47.0	\$ 48.0	\$ 95.0	\$ 50.0	\$ 51.0	\$ 101.0
<b>B&amp;O Tax Deduction for Investment Income of Non-Financial Firms:</b>											
61	Limit B&O tax deduction for investment income to \$500,000 and impose tax on both non-financial firms and individuals	9,000	\$ -	\$ -	\$ -	\$ 202.4	\$ 222.7	\$ 425.1	\$ 233.3	\$ 244.6	\$ 477.9
62	Limit B&O tax deduction for investment income of non-financial firms to \$250,000	1,500	\$ -	\$ -	\$ -	\$ 10.4	\$ 11.5	\$ 21.9	\$ 12.2	\$ 13.0	\$ 25.1
63	Limit B&O tax deduction for investment income of non-financial firms to \$500,000	1,500	\$ -	\$ -	\$ -	\$ 7.1	\$ 7.9	\$ 15.0	\$ 8.3	\$ 8.9	\$ 17.2
64	Limit B&O tax deduction for investment income of non-financial firms to \$1 million	1,500	\$ -	\$ -	\$ -	\$ 5.6	\$ 6.1	\$ 11.7	\$ 6.5	\$ 6.9	\$ 13.4
<b>OTHER TAXES</b>											
<b>Cigarette Tax:</b>											
65	Increase cigarette tax by 25 cents per pack	6,500	\$ -	\$ 9.8	\$ 9.8	\$ 10.9	\$ 11.1	\$ 22.0	\$ 11.2	\$ 11.4	\$ 22.6
66	Increase cigarette tax by 50 cents per pack	6,500	\$ -	\$ 17.9	\$ 17.9	\$ 20.0	\$ 20.4	\$ 40.4	\$ 20.7	\$ 21.1	\$ 41.8
67	Increase cigarette tax by 75 cents per pack	6,500	\$ -	\$ 24.3	\$ 24.3	\$ 27.4	\$ 28.0	\$ 55.5	\$ 28.6	\$ 29.2	\$ 57.8
68	Increase cigarette tax by \$1.00 per pack	6,500	\$ -	\$ 29.3	\$ 29.3	\$ 33.3	\$ 34.1	\$ 67.4	\$ 35.0	\$ 35.9	\$ 71.0
<b>Estate Tax:</b>											
69	Reduce estate tax threshold and exclusion amount to \$1 million <sup>3</sup>	2,100	\$ -	\$ -	\$ -	\$ 115.9	\$ 158.6	\$ 274.5	\$ 161.0	\$ 169.9	\$ 330.9
<b>Hazardous Substance Tax:</b>											
70	Increase hazardous substance tax from 0.7% to 2% of wholesale value	600	\$ -	\$ 227.2	\$ 227.2	\$ 270.9	\$ 302.6	\$ 573.5	\$ 329.4	\$ 385.0	\$ 714.5

**REVENUE Impact of Revenue Alternatives**  
November 2017 Forecast

Please note that estimates provided do not reflect a policy position by the Department and are solely to assist you in exploring options under development.

Prepared by Research & Fiscal Analysis - December 2017

#	Description of Alternative	# of Impacted Taxpayers	State General Fund REVENUE Impact <sup>1</sup> (\$ millions)								
			FY 2018 <sup>2</sup>	FY 2019 <sup>2</sup>	2017-19 Biennium	FY 2020	FY 2021	2019-21 Biennium	FY 2022	FY 2023	2021-23 Biennium
<b>Oil Spill Tax:</b>											
71	Oil spill tax - from 5 cents per barrel to 5% of value	30	\$ -	\$ 194.3	\$ 194.3	\$ 253.4	\$ 278.6	\$ 531.9	\$ 299.8	\$ 319.6	\$ 619.4
72	Oil spill tax - 0.7% based on value of product, not volume	30	\$ -	\$ 24.3	\$ 24.3	\$ 32.5	\$ 36.1	\$ 68.6	\$ 38.4	\$ 41.1	\$ 79.5
<b>Other Tobacco Products (OTP) Tax:</b>											
73	Increase OTP tax to a maximum of \$1.00 per cigar	200	\$ -	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.08	\$ 0.04	\$ 0.04	\$ 0.08
74	Impose OTP tax on vapor products at 60% of wholesale value (e-liquid, disposables only)	3,400	\$ -	\$ 2.4	\$ 2.4	\$ 9.5	\$ 12.4	\$ 21.9	\$ 14.0	\$ 15.0	\$ 29.0
<b>Petroleum Products Tax:</b>											
75	Repeal the suspension threshold for the petroleum products tax and make the tax permanent	130	\$ -	\$ 5.3	\$ 5.3	\$ 22.9	\$ 11.4	\$ 34.3	\$ 10.0	\$ 5.2	\$ 15.1
<b>Public Utility Tax:</b>											
76	5% surtax on all PUT rates	14,700	\$ -	\$ 23.0	\$ 23.0	\$ 25.9	\$ 26.9	\$ 52.8	\$ 28.0	\$ 29.2	\$ 57.2
77	10% surtax on all PUT rates	14,700	\$ -	\$ 46.0	\$ 46.0	\$ 51.9	\$ 53.8	\$ 105.7	\$ 56.1	\$ 58.4	\$ 114.5
78	25% surtax on all PUT rates	14,700	\$ -	\$ 114.9	\$ 114.9	\$ 129.6	\$ 134.5	\$ 264.2	\$ 140.2	\$ 146.1	\$ 286.2
79	PUT/B&O sewerage - all related activities taxed at 3.852%	1,000	\$ -	\$ 15.6	\$ 15.6	\$ 17.7	\$ 18.3	\$ 36.0	\$ 18.9	\$ 19.5	\$ 38.4
80	PUT on motor/urban transportation and log hauling - increase to 3.852%	9,000	\$ -	\$ 60.4	\$ 60.4	\$ 67.0	\$ 68.1	\$ 135.1	\$ 69.2	\$ 70.3	\$ 139.5
81	PUT on urban transportation and vessels - increase to 1.926%	4,200	\$ -	\$ 9.4	\$ 9.4	\$ 10.5	\$ 10.6	\$ 21.1	\$ 10.8	\$ 11.0	\$ 21.8
82	Repeal PUT deduction for in-state portion of interstate transportation	2,200	\$ -	\$ 31.5	\$ 31.5	\$ 34.9	\$ 36.0	\$ 70.9	\$ 37.1	\$ 38.3	\$ 75.4
83	Impose PUT on cable and satellite TV at 6% rate with a tax credit for franchise fees paid	12	\$ -	\$ 28.1	\$ 28.1	\$ 30.7	\$ 30.7	\$ 61.4	\$ 30.7	\$ 30.7	\$ 61.4
84	Repeal PUT deduction for sales of irrigation water	85	\$ -	\$ 1.6	\$ 1.6	\$ 1.9	\$ 2.0	\$ 3.8	\$ 2.1	\$ 2.2	\$ 4.2
<b>Real Estate Excise Tax (REET):</b>											
85	REET rate increase - from 1.28% to 1.6%	Unknown	\$ -	\$ 198.3	\$ 198.3	\$ 214.5	\$ 223.1	\$ 437.6	\$ 232.1	\$ 241.4	\$ 473.5
86	Graduated REET rates from 0.75% to 2.5%	Unknown	\$ -	\$ 186.9	\$ 186.9	\$ 202.2	\$ 210.4	\$ 412.6	\$ 218.8	\$ 227.6	\$ 446.5
87	Limit REET "foreclosure" exemption	Unknown	\$ -	\$ 18.4	\$ 18.4	\$ 19.9	\$ 20.7	\$ 40.7	\$ 21.6	\$ 22.4	\$ 44.0
88	Repeal REET exemption for sales of government property to private purchasers	Unknown	\$ -	\$ 15.7	\$ 15.7	\$ 15.6	\$ 15.4	\$ 31.0	\$ 16.1	\$ 16.7	\$ 32.8
<b>Syrup Tax:</b>											
89	Repeal B&O credit for Syrup Tax - RCW 82.04.4486	2,300	\$ -	\$ 4.1	\$ 4.1	\$ 4.4	\$ 4.3	\$ 8.6	\$ 4.2	\$ 4.1	\$ 8.3
90	Repeal B&O credit for Syrup Tax AND Increase Syrup Tax from \$1 to \$2	2,300	\$ -	\$ 10.9	\$ 10.9	\$ 11.7	\$ 11.5	\$ 23.1	\$ 11.2	\$ 11.0	\$ 22.3
<b>NEW TAXES</b>											
<b>Beverage Tax:</b>											
91	Carbonated beverage tax @ 2 cents/12 oz. (excludes fountain)	7,100	\$ -	\$ 31.8	\$ 31.8	\$ 34.2	\$ 33.8	\$ 68.0	\$ 33.3	\$ 32.9	\$ 66.2
<b>Capital Gains Tax:</b>											
92	Impose a capital gains tax at 7% with \$25,000/50,000 deduction effective 1/1/2019	48,000	\$ -	\$ -	\$ -	\$ 842.4	\$ 916.0	\$ 1,758.4	\$ 951.1	\$ 992.3	\$ 1,943.4

**REVENUE Impact of Revenue Alternatives**  
November 2017 Forecast

*Please note that estimates provided do not reflect a policy position by the Department and are solely to assist you in exploring options under development.*

Prepared by Research & Fiscal Analysis - December 2017

#	Description of Alternative	# of Impacted Taxpayers	State General Fund REVENUE Impact <sup>1</sup> (\$ millions)								
			FY 2018 <sup>2</sup>	FY 2019 <sup>2</sup>	2017-19 Biennium	FY 2020	FY 2021	2019-21 Biennium	FY 2022	FY 2023	2021-23 Biennium
<b>Luxury Tax with Deductions:</b>											
93	10% luxury tax on motor vehicles - \$50,000 deduction	15,000	\$ -	\$ 52.4	\$ 52.4	\$ 57.1	\$ 56.2	\$ 113.2	\$ 55.3	\$ 54.4	\$ 109.6
94	10% luxury tax on vessels - \$50,000 deduction	1,700	\$ -	\$ 18.7	\$ 18.7	\$ 21.0	\$ 21.9	\$ 42.9	\$ 22.7	\$ 23.7	\$ 46.4
95	10% luxury tax on aircraft - \$50,000 deduction	15 to 20	\$ -	\$ 6.8	\$ 6.8	\$ 7.6	\$ 7.7	\$ 15.3	\$ 7.9	\$ 8.0	\$ 15.9
<b>State Admissions Tax:</b>											
96	5% state admissions tax - exclude youth non-profit and K-12 school activities	66,000	\$ -	\$ 57.3	\$ 57.3	\$ 68.1	\$ 74.0	\$ 142.0	\$ 76.3	\$ 78.8	\$ 155.1
97	5% state admissions tax - exclude youth non-profit, K-12 school and college activities	66,000	\$ -	\$ 54.7	\$ 54.7	\$ 65.0	\$ 70.6	\$ 135.6	\$ 72.9	\$ 75.2	\$ 148.2
98	5% state admissions tax - exclude K-12 school and college activities, and all non-profits	63,000	\$ -	\$ 45.6	\$ 45.6	\$ 54.2	\$ 58.9	\$ 113.1	\$ 60.8	\$ 62.7	\$ 123.5
<b>Miscellaneous taxes:</b>											
99	Impose 1.5% gross receipts tax on gambling and lottery winnings	100,000	\$ -	\$ -	\$ -	\$ 10.5	\$ 13.0	\$ 23.5	\$ 25.1	\$ 25.0	\$ 50.2
100	Impose \$2 fee on all wireless devices (cell phones, laptops, etc.)	17,800	\$ -	\$ 6.8	\$ 6.8	\$ 7.4	\$ 7.4	\$ 14.8	\$ 7.5	\$ 7.6	\$ 15.2

**REV ALTS NOTES**

<sup>1</sup> Revenues represent state general fund impacts only, unless otherwise noted.

<sup>2</sup> Estimates assume a July 1, 2018 effective date with no collections in FY 2018 and 11 months of collections in FY 2019.

<sup>3</sup> Estate tax deposited in the Education Legacy Account