

2018 TAX REFERENCE MANUAL

Information on Select State and Local Taxes
in Washington State

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2018 Tax Reference Manual

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INTRODUCTION

WHAT IS THIS REPORT?

This report provides comprehensive background information on each of over 40 tax sources used by state or local governments in Washington. The report was prepared by the Research and Fiscal Analysis Division of the Washington State Department of Revenue (DOR). It updates a similar synopsis of taxes last published by the Department in December 2016.

The Tax Reference Manual provides a general description and historical information on these tax sources. It is not intended to be a guide to taxpayers for reporting any tax liability. Thus, it contains neither legal interpretations of state tax law nor instructions to taxpayers. **Taxpayers are cautioned that tax laws and tax rates can change; the information provided in this report should not be used for reporting any tax liability.**

WHAT IS NEW FOR THIS YEAR?

The 2018 publication is a minor update that reflects tax changes that have occurred in the last two years. The new format that was introduced with the 2016 publication has been retained and includes the following features:

- The publication has been streamlined – The chapter formatting has been updated so that important information is now in a concise, easy to read outline format with both fiscal information and history presented in reverse chronological order so the reader can easily see the most recent information first.
- The publication has been shortened – This publication now contains fewer chapters and rather than repeating information that is available in other DOR publications, links to this material are now provided.
 - Taxes that have been detailed in DOR’s [Local Tax Reference Guide](#) have been omitted from this publication.
 - Detailed information about exemptions, deductions, and credits for various taxes that are thoroughly explained in DOR’s [Tax Exemption Study](#) have been omitted from this publication.
- The publication is provided in electronic only format – This document is now published on-line only. This allows for lower costs and the ability to provide hyper-links throughout the document for the ease of the reader.

INTRODUCTION

CHAPTER OUTLINE

The following is a detailed explanation of the eight sections that have been included for each tax chapter in this publication.

RCW

This is the relevant reference(s) to the Revised Code of Washington, which is the compilation of all permanent laws now in force in Washington State.

Tax Base

This section explains what is taxable, or the measure of the tax. This section also includes a link to the [Tax Exemption Study](#) where relevant. Please note that the term tax exemption includes a variety of preferences that reduce tax liability for taxpayers. Tax exemptions include:

- Exclusions
- Deductions
- Credits
- Deferrals
- Preferential tax rates
- Exemptions

Tax Rate

The tax rate is the percentage or fixed dollar amount which determines the amount of the tax liability. When the tax rate is multiplied by the tax base, the product is the amount of tax that is due.

Recent Collections (\$000)

Collections represent the amount of revenue collected, net of credits and refunds, and is shown by state fiscal year (July 1 through June 30) for each state tax for the most recent ten-year period. Values are presented in thousands of dollars (\$000). To convert to dollars, these values may be multiplied by 1,000. For taxes administered by DOR, collections information has been compiled from DOR's [Tax Statistics](#) publication. For taxes administered by other state agencies, collections information has been reported as provided to DOR by these agencies. Local tax information may be available from various local sources that have been indicated. Percent change represents a simple year-over-year percentage computation.

Percent of all state taxes is included only to show relative magnitude, taxes included in this publication may or may not be included in the total value of "All State Taxes" and these may not sum to 100% of the total. For reference, the following values of "All State Taxes" have been used to compute the percentages included in this publication.

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Fiscal Year	All State Taxes (\$000)
2018	\$21,101,557
2017	\$19,240,785
2016	\$18,119,024
2015	\$16,869,950
2014	\$16,027,158
2013	\$15,332,993
2012	\$14,434,721
2011	\$14,274,259
2010	\$13,404,822
2009	\$15,291,367

Distribution of Receipts

This section describes the use of the revenues produced by each tax, including any dedicated revenues to specific funds.

Levied by

This section indicates which governmental jurisdictions are authorized to impose the tax.

Administration

This section indicates the administering state or local agency, along with a brief description of who pays the tax and in what manner.

History

This section includes a brief explanation of selected historical developments for each tax. This list of events may not be comprehensive and is provided in reverse chronological order for ease of reading.

OTHER WASHINGTON STATE TAX INFORMATION

Previous editions of this publication included some additional information in the introduction of the report about Washington State’s tax system. Much of this information is available in other DOR publications:

- [Comparative State and Local Taxes](#)
- [Local Tax Reference Guide](#)
- [Property Tax Statistics](#)
- [Tax Statistics](#)
- [Washington Tax Collections as a Share of Personal Income](#)

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Additional DOR statistical reports, data, and interactive data visualizations may be found on DOR's main page for [statistics and reports](#).

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- Department of Labor and Industries
- Department of Licensing
- Department of Transportation
- Employment Security Department
- Horse Racing Commission
- Liquor and Cannabis Board
- Office of the Insurance Commissioner

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