

Hazardous Substance Tax

RCW Chapter 82.21

Tax Base The tax is a privilege tax on the first possession in this state of petroleum products, pesticides, and certain chemicals determined by the Department of Ecology to present a threat to human health or the environment if released into the environment.

The measure of the tax is based on the wholesale value of the hazardous product.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the [Tax Exemption Study](#).

Tax Rate 0.7 percent.

Recent Collections (\$000)

Fiscal Year	Collections	% Change	% of All State Taxes
2018	\$141,897	14.8%	0.7%
2017	\$123,638	9.2%	0.6%
2016	\$113,225	-26.2%	0.6%
2015	\$153,496	-21.3%	0.9%
2014	\$195,011	-1.7%	1.2%
2013	\$198,464	0.4%	1.3%
2012	\$197,604	12.6%	1.4%
2011	\$175,500	17.5%	1.2%
2010	\$149,417	17.6%	1.1%
2009	\$127,055	-2.4%	0.8%

Distribution of Receipts All receipts from this tax are deposited into the State Toxics Control Account, the Local Toxics Control Account, and the Environmental Legacy Stewardship Account using the following formula:

- 56 percent of the first \$140 million per fiscal year to the State Toxics Control Account
- 44 percent of the first \$140 million per fiscal year into the Local Toxics Control Account
- Any amount collected over \$140 million per fiscal year is deposited into the Environmental Legacy Stewardship Account

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These funds are allocated to the Department of Ecology for planning, management, regulation, and clean-up activities related to hazardous waste, solid waste, oil and hazardous materials, water and environmental health, and air quality among others.

Levied by State

Administration Department of Revenue.

Firms that are the first possessors of taxable hazardous substances in Washington report the tax on their Combined Excise Tax Return.

History

2015 A hazardous substance tax exemption for possession of agricultural crop protection products that are warehoused, but not otherwise used or sold, in Washington is provided.

2013 The Environmental Legacy Stewardship Account is created. The distribution of funds between the State Toxics, Local Toxics, and Environmental Legacy Stewardship Account is adjusted.

2002 Legislation updated references to hazardous substance taxable products as defined in federal law.

1989 The hazardous substance tax, at a rate of 0.7 percent of the wholesale value of the product, became effective on March 1.

1988 Voters passed Initiative 97 establishing a tax on the first possession of hazardous substances in Washington. This replaced a similar hazardous substance tax with a different rate and different taxable substances that had been levied since January 1, 1988.
