

WOOD STOVE FEE
RCW 70.94.483

Tax Base Retail sales of solid fuel burning devices.

Tax Rate The current fee is \$30 per stove. The statute allows the Department of Ecology to adjust the rate above \$30 based on changes in the consumer price index, but no adjustment has been made to date.

Levied by State

Administration Department of Revenue. Vendors of wood stoves report the collections on their Combined Excise Tax Return. The tax rate is determined by the Department of Ecology (the base rate of \$30 is specified in statute, subject to adjustment for inflation).

Recent Collections (\$000)

<u>Fiscal Year</u>	<u>Collections</u>	<u>% Change</u>	<u>% of All State Taxes</u>
2009	\$320	7.0%	0.0%
2008	299	2.0	0.0
2007	293	1.7	0.0
2006	288	28.0	0.0
2005	225	9.8	0.0
2004	205	(12.4)	0.0
2003	234	(28.2)	0.0
2002	326	39.9	0.0
2001	233	(4.1)	0.0
2000	243	(14.7)	0.0

Distribution of Receipts

Wood stove education and enforcement account. The funds are used by the Department of Ecology to educate consumers about the effects of wood stove smoke upon air pollution and to enforce burning restrictions during periods of impaired air quality.

Exemptions, Deductions and Credits None

History

The initial wood stove fee was established at a rate of \$5 effective January 1, 1988. In 1990 the fee amount was increased to \$15. The following year it was doubled to the current \$30 rate, and the former exemption for masonry fireplaces was repealed.

Discussion/Major Issues

There are about 130 taxpayers who report wood stove fees.

The fee represents a "user tax" whereby persons that cause a certain governmental program to be necessary are required to pay for the costs of that program. Environmental restrictions on wood-burning stoves, higher prices for firewood, and the increased use of natural gas for home heating have impacted the demand for wood-burning stoves. Yet collections of the fee in recent years have increased, even despite the slow-down in residential construction.