January 21, 2016

TO: Hunter Goodman, Secretary
    Washington State Senate

Barbara Baker, Chief Clerk
    Washington State House of Representatives

FROM: Vikki Smith, Director
    Department of Revenue

SUBJECT: 2016 TAX EXEMPTION STUDY

The 2016 Tax Exemption Study, provided to you in this link, is submitted to you pursuant to RCW 43.06.400. This edition is the thirteenth in a series of tax exemption studies, starting with the first report in 1984.

Study covers 694 tax exemptions
There are currently 694 tax exemptions for major Washington state and local tax sources. The estimated savings in state and local taxes for taxpayers resulting from these exemptions total $103.7 billion for the 2015-17 Biennium. For each exemption, the following is provided:

- A brief description,
- The purpose of the exemption,
- Taxpayer savings,
- Potential revenue gains from a full repeal of the exemption, and
- Additional information such as the year of enactment and the primary beneficiaries.

Study provided electronically
In an effort to reduce the cost of producing this study, we are providing it to you electronically. The study will also be posted on the Department of Revenue website.

Questions
The study was prepared by analysts of the Research and Fiscal Analysis Division. Questions regarding this study may be directed to Kathy Oline, Assistant Director of Research and Fiscal Analysis, at (360) 534-1534.

cc: Members, Senate Ways and Means Committee
    Members, House Finance and Appropriations Committees
    David Schumacher, Director, Office of Financial Management
    Miguel Pérez-Gibson, Executive Director of Legislative Affairs, Office of the Governor