



Department of  
**Revenue**  
Washington State

*"Working together to  
fund Washington's future"*

# 2022 Session Overview

**Steve Ewing**

Legislative & External Affairs Liaison

# Session overview

- Bills introduced: **2,836**
  - In the House: **1,465**
  - In the Senate: **1,371**
- DOR L&P bill analyses: **670**
- DOR RFA fiscal notes: **332**

# Supplemental budget bills

- **Operating**

- Capital appropriations
- Transportation

## Senate Bill 5693

- \$3.2 billion spending increase
- Total two-year op. budget: \$64.1 billion
- \$2 billion to transportation budget
- \$650 million to capital approps. budget

# Supplemental budget bills

- **Operating**
- Capital appropriations
- Transportation
- HB 1015
  - Creates Equitable Access to Credit Program to award grants to qualified lenders lending or investing in underserved communities
- HB 1643
  - Exempts a sale or transfer of real property for affordably housing from REET
- HB 1846
  - Expands and extends the sales and use tax exemption for data centers
  - P.L.A. req. for new data center construction

# Supplemental budget bills

- **Operating**
- Capital appropriations
- Transportation
- **HB 1914**
  - Increases B&O tax credit for Motion Picture Competitiveness Program contributions:
    - Total program: raised to \$15M from \$3.5M
    - Individual credit: raised to \$1M from \$750,000
- **HB 1988**
  - Exempts sales and use tax for clean technology manufacturing, clean alternative fuels production, and renewable energy storage projects

# Supplemental budget bills

- **Operating**
- Capital appropriations
- Transportation
- SB 5531
  - Updates WA unclaimed property law per Uniform Law Commission
- SB 5849
  - Expands where the Targeted Urban Area property tax exemption may apply
  - Extends reduced B&O tax rate (.0275%) for manufacturers of solar energy systems
- SB 5980
  - Increases maximum small business credit per reporting period to \$160 or \$55, depending on B&O tax classification

# Supplemental budget bills

- Operating
- **Capital appropriations**
- Transportation

## Senate Bill 5651

- \$1.5 billion budget, including:
  - \$650 million from the operating budget
  - \$305 million in bond revenue
  - \$329 million from the federal Infrastructure Investment & Jobs Act

# Supplemental budget bills

- Operating
- **Capital appropriations**
- Transportation

## Major investments (in millions):

- Housing and shelter: \$439
- Infrastructure: \$308
- Broadband: \$100
- Natural resources: \$271
- Behavioral health: \$111
- Early, primary, higher education: \$101
- Clean energy: \$101
- Local and community projects: \$64



# Supplemental budget bills

- Operating
  - Capital appropriations
  - **Transportation**
- Senate Bills 5689, 5974, 5975
- “Move Ahead WA”
  - \$16.9 billion, 16-year budget
    - No 6-cent fuel export tax
    - Gap covered by \$1.7 billion from operating budget and Public Works Assistance Account

# Supplemental budget bills

- Operating
- Capital appropriations
- **Transportation**

## Major investments:

- |                                                    |         |
|----------------------------------------------------|---------|
| • Carbon reduction & multimodal                    | \$5.4 B |
| • Maintenance and preservation                     | \$3.0 B |
| • Public transportation                            | \$3.0 B |
| • I-5 replacement bridge across the Columbia River | \$1.0 B |
| • Four hybrid-electric ferries                     | \$836 M |

# Agency request legislation

- HB 2096 (Passed)
  - Working Families Tax Credit technical clean-up
  - Clarifies definitions, fixes dollar amounts, clarifies eligibility
- HB 2099 (Passed)
  - Reclassifies egregious tax crimes to provide six-year statute of limitations
  - Calculation of interest on a tax filing extension
- SB 5800 (Passed)
  - Omnibus of policy- and revenue-neutral technical fixes to DOR statutes

# Other legislation (passed)

- **HB 1641**
  - Reinstates the B&O exemption for custom farming and PUT exemption for hauling farm products
- **HBs 1732 & 1733**
  - Delay the WA Cares payroll tax
  - Expand who can seek permanent exemptions
- **HB 1888**
  - Authorizes DOR to revise WFTC credit amounts
- **SB 5714**
  - Sales and use tax deferral for solar canopies on large commercial parking lots
- **SB 5755**
  - Sales and use tax deferral for converting surface parking lots in select cities to affordable housing
  - Deferred taxes are forgiven if affordable housing maintained for 10 years

# Other legislation (passed)

- SB 5901
  - Creates manufacturing and R&D sales and use tax incentive programs for targeted counties
  - Expands warehouse sales and use tax exemption to >100,000 sq. ft.
- HB 1990
  - Sales and use tax exemption for SR 167 / I-405 corridor
- HB 2024
  - Extends SR 520 sales and use tax exemption from five years to 24
- SB 5488
  - Provides Tacoma Narrows bridge toll relief by moving \$13M/year for 10 years from general fund to pay off bridge debt

# Other legislation (not passed)

- HB 1666
  - Codifies a cost-basis valuation for asphalt companies
- HB 1819
  - Increases personal PT exemption from \$15,000 to \$100,000
  - Allows corporations, partnerships, LLCs, etc. to qualify
- HB 1830
  - Reusable packing materials sales and use tax exemption
- HB 1850
  - Establishes regulatory commission and fee on businesses transacting or using personal data
  - Codifies consumer data privacy rights
- HB 1921
  - Use of PILTs for new renewable energy facilities' property taxes

# Other legislation (not passed)

- HB 2018
  - One-time sales tax holiday on most items priced under \$1,000
- HB 2093 / SB 5921
  - Revises DOR's operation of the forest excise tax
- SB 5459
  - B&O deduction for payment processors on amount of certain fees
- SB 5663
  - Creates refund bureau at DOR to dispense LFOs post-*Blake*
- SB 5932
  - Lowers state sales and use tax rate from 6.5% to 5.5%
- SB 5967
  - Levies a climate resiliency fee on financial institutions funding fossil fuel companies

# Questions?

Steve Ewing

Legislative & External Affairs Liaison

[SteveE2@dor.wa.gov](mailto:SteveE2@dor.wa.gov)

360.534.1545