

Chart 5. Historical Summary of Washington Taxes Major Tax Rate and Base Changes

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
Early History	1853, U.S. Organic Act established territorial government; all taxes to be assessed uniformly; exemption for U.S. property, churches, benevolent institutions. 1886, revenue producing property of churches is taxable. 1889, State Constitution: property to be assessed uniformly; Legislature may grant exemptions. 1900, \$300 personal property per household exempt. 1925, exemption for private schools and colleges.						1921, tax of 1¢ per gallon.			1901, inheritance tax: Class A, 1% (\$10,000 exempt); Class B, 3% - 6%; Class C, 6% - 12%. 1917, increased rates for each class; \$1,000 family allowance. 1923, rates increased.	1891, tax of 2% levied on gross premiums. 1911, retaliatory clause adopted.			
1929	14th Amendment (1930): classification of property is allowed, real estate must be one class; yield tax on reforestation land and mines is permitted.						Rate increased from 1¢ to 2¢.			Exemption for each Class A decedent. All maximum rates lowered.				
1931	Exemption for intangibles. Yield tax on reforestation lands. 1932, initiative imposing 40 mill limit.						Rate increased from 2¢ to 4¢.			Adjustment in Class B tax rates.				
1933	1932, Redd case limited state authority over local property assessments.				Occupation tax on gross income: extracting 0.3%; mfg. 0.25%; wholesaling 0.20%; retailing 0.5%; most services 0.5%.	Occupation tax: 3% basic rate; gas 2%; vessels and transit 0.5%; all others 1.5%.	Rate increased from 4¢ to 5¢. Refunds for off-highway use.		1934, beer excise tax: \$1.00/barrel.			5% tax on gross receipts of boxing, wrestling, and pari-mutuel betting.		
1935	Exemption for all household goods and personal effects.			2% tax on sales to or use by consumers of tangible personal property. Exemption for dairy products, fruit, vegetables, eggs and bread.	B&O replaced occupation tax. Basic rate 0.25% (mfg., wholesaling, retailing); service 0.5%. Farming and employees exempt. Minimum, \$200/month (\$500 retailers).	Public utility tax separated from B&O. 1933 rates retained.	Fuel oil tax of 1/4 cents per gallon.	Cigarette tax of 1¢ per package.	10% tax on sales of liquor by Control Board. 10¢ per gallon on wine.	Revision of rates and tax brackets. Exemptions for first \$40,000 of paid insurance and \$1,000 for Class B.		State admissions tax of 1¢ per 20¢ of ticket price.		
1937	Motor vehicles exempt from property tax.	Motor vehicle excise tax, 1.5% of value.		1939, tax is extended to all food, liquor and services to tangible property.				(1939) Rate increased from 1¢ to 2¢.			Domestic rate 1%; foreign rate 2.25%.			
1941			PUD tax in lieu of property tax; 2% of PUD gross revenues.	Rate increased from 2% to 3%. Tax extended to services rendered to real property.	Uniform minimum of \$300 per month. Elimination of tax on internal distributions.		Use fuel tax, 5¢/gallon on diesel, etc.			Gift tax enacted, rates are 90% of inheritance tax schedule.				
1943	Exemption for house trailers.	Inclusion of house trailers at 1.5%.		Exemption for seed fertilizer, chemical sprays.					10% war liquor tax (20% total).	Minor rate adjustment in Class A.				
1944	17th Amendment: assessment at 50% of true and fair value; 40 mill limitation in Constitution.			1945, exemption of breeding livestock.			18th Amendment earmarked tax for roads.							
1949		1% excise tax on value of aircraft.	Extension of PUD to self-generated energy at 5% of gross revenue.				Rate increased from 5¢ to 6.5¢. Repeal of fuel oil tax (1947).	Rate increased from 2¢ to 4¢.	Repeal of both 10% liquor taxes. 15% discount for Class H.					
1951				Extension to hotels and motels. Exemption of liquor but subject to 10% excise tax.	Surtax of 20%: basic rate 0.3%, service 0.6%.	Surtax of 10%.			10% liquor excise tax.					
1955	Property revaluation cycle: four year interval.	Rate reduced to 1% for house trailers (1957).		Rate increased from 3% to 3.33%.	Increase of surtax to 60%: basic rate 0.4%, service 0.8%. Internal distribution restored to tax base.	Increase of surtax to 20% (1957).		Rate increased from 4¢ to 5¢.						

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1959		Motor vehicle rate increased from 1.5% to 2.0%.	PUD tax on self-generated energy changed to 5% of first 4 mills.	Rate increased from 3.33% to 4%. Extension to rental of personal property, clearing/moving land, and services to buildings.	Surtax on basic rate increased to 76% (0.44%). Service rate 1%. Extension to rental property: 1960, ruled to be unconstitutional.			Rate increased from 5¢ to 6¢. 25% tax on other tobacco products.	Liquor tax rate increased from 10% to 15% for consumers (not wine or Class H).					
1961	Freeport exemption for goods in transit.			Extended to various services: recreation, amusement, title escrow and parking.			Increase in rate from 6.5¢ to 7.5¢.	Increase in rate from 6¢ to 7¢.	Additional liquor sales tax of 1.1¢ per fluid ounce.	Repeal of deduction for federal taxes.				
1965	47th amendment (1966) allowing exemptions for senior citizens.	House trailer rate increased from 1% to 1.5%.		Rate increased from 4% to 4.2%. Extension to bowling.	Manufacturers tax credit for sales tax paid on qualified improvements.			Rates increased from 7¢ to 11¢ and 25% to 30%.	Fluid ounce tax increased from 1.1¢ to 2¢. Beer excise of \$1.50 for cans/ bottles.	Exemption for state pensions (also teachers in 1961; federal government in 1963).				
1967	Two mills of local school levy shifted to state. \$50 senior citizen exemption. Barlow vs. Kinnear decision provided state with greater assessment equalization power. 1968, 53rd amendment provided current use assessment for open space, timber, and agricultural lands.	1% aircraft excise replaced by \$15 for single engine and \$25 for multi-engines.		Rate increased from 4.2% to 4.5%. Exemption for pollution control facilities. King County authorized to share 2% of state 4.5% tax on hotel and motel accommodations for stadium construction.	76% surtax on basic rate repealed but same 0.44% rate is retained. Radio and TV broadcasting is taxable. Pollution credits up to 50% of cost at 2% per year.	20% surtax repealed but same rates are retained: basic 3.6%; gas 2.4%; transit 0.6%; others 1.8%.	Rate increased from 7.5¢ to 9¢.							
1969	State funding of revaluation plan. <u>Carکنون vs. Williams</u> decision required 50% assessment for all property.				Cut-off for new applications for pollution credits except to meet higher standards.				Retail sales of wine permitted: 26% excise tax and 10¢ per gallon.					
1970	Open space law to implement 53rd amendment. <u>Edgewater Inn</u> decision: leases of public property subject to assessment.			Local sales/use tax at 0.5% rate authorized. 2% hotel/motel tax extended to Spokane and Tacoma.	Tax extended to financial institutions as service.									
1971	\$50 senior citizen exemption replaced by exemption from special levies: \$4,000 and under income receive 100% exemption; \$4,000 to \$6,000 income get 50% exemption. Annual increase in regular levy revenues of local taxing districts limited to 106%, starting with 1974 collections. Expanded exemption for facilities of private schools. Standing timber exempt. Moratorium until 1973 on assessment of leasehold estates. Deduction of selling costs (overruled in 1972). Annual updating of values permitted. Delinquency rate on first \$500 lowered from 10% to 5%.	Mobile home and travel trailer tax increased from 1.5% to 2%		Authorization for local 0.3% sales/use tax in King County for transit purposes. Road construction for state defined as retail sale (before only use tax on materials). Chargeback to prior fiscal year for tax received until August 10th.	Cut-off of manufacturers tax credits. Tax of 0.015% on businesses whose products relate to litter. First month delinquency penalty increased from 2% to 5%. 0.25% rate for nuclear fuel assemblies.	Rate for gas distribution increased from 2.4% to 3%.	Special fuel tax enacted on diesel, propane and similar fuels other than motor vehicle fuel (gasoline).	Cigarette tax increased from 11¢ to 16¢ per pack. Tobacco products tax increased from 30% to 45%.	Fluid ounce tax rate increased from 2¢ to 4¢ per ounce.	Payment period is reduced from 15 months to 9 months.				
1972	Residential improvements up to 30% of value exempt for three years. Approval of SJR 1 constitutionally limiting all regular levies to 1%. Removal of 40% requirement for voter turnout for special levies.	Pickup campers added to travel trailer excise tax; rate reduced from 2% to 1%.	Timber excise tax on stumpage value; initial rate 1.8%, effective 10/1/72.	Deferral for 3 years of sales tax paid by manufacturers on plant improvements.				Possession of unstamped cigarettes is illegal. Vietnam veterans bonus.						

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1973	Assessment level increased from 50% to 100% of true and fair value for 1975 collections. Hoppe v. Kinnear decision: SJR 1 effective for 1973 taxes; 20 mill maximum regular levy. Statutory levy rates: for 1974 taxes, 20 mill maximum with no state levy; for 1975 \$9.15 per \$1,000 maximum with \$3.60 state levy for schools. Current use assessment of farm lands based on net cash rental value. Administration of exemptions for nonprofit organizations transferred to state.	Permanently affixed mobile homes subject to property tax instead of excise tax.	Timber tax increased from 1.8% to 3.4%. Leasehold tax of 14% for pre-1970 leases; others taxed as personal property.	Local 2% hotel/motel tax for stadiums and convention centers is extended to any city or county.					26% wine tax replaced by 75¢ per gallon tax on wine wholesalers.	Exemption for higher education pensions and certain annuities.		State mechanical devices tax is repealed. State regulation and licensing of gambling with local taxation up to 10% of gross.		
1974	Inventories exempt from property tax effective in 1984. Phase-in of exemption for livestock. 8% delinquency rate. Service charge authorized for fire districts. Special levy exemption for senior citizens increased: incomes up to \$5,000 are 100% exempt; incomes \$5,000 to \$6,000 are 50% exempt; incomes up to \$4,000 are exempt from regular levies on first \$5,000 of residential value.		Timber tax increased from 3.4% to 6.5% until 12/31/78. Phase-in of distributions based on amount of timber harvested.	Exemption for prescription drugs and returnable containers. Local 0.3% transit tax extended to any county.	B&O credit for personal property taxes paid on business inventories: 10% in 1974 to 100% in 1983; no credit after 1983.									
1975	Deferral of taxes allowed for senior citizens with income less than \$8,000. Application fee of \$35 for nonprofit organizations is due every four years.			Hotel/motel tax is restricted to city or county; not both. Local transit tax rates: 0.1%, 0.2%, or 0.3%. Tax is extended to government contractors.	Rate reduced to 0.25% for travel agents.			Exemption repealed for two cartons of unstamped cigarettes.						
1976	Approval of constitutional amendment permitting special levies by school districts for two years.		12% state tax on leases of public property; credit for up to 6% in local taxes.	State rate up from 4.5% to 4.6%, 6/1/76 until 7/1/77. Elimination of revenue chargeback by 1986.	Surtax of 6% on all B&O tax rates, 6/1/76 until 6/30/77.							\$200 state tax on coin-operated gambling devices.		
1977	Phase-in of special M&O school levy limit to 10% of prior year expenditure for basic education; to be fully effective by 1981 levies. Senior citizens exemption income limits increased by \$2,000. Ratio study procedures revised; more input from assessors. Revaluation ratio repealed. Seven-year exemption for solar energy facilities.	Motor vehicle excise tax increased from 2% to 2.2%. Vehicles licensed all year.	PUD tax on Hanford nuclear plants changed to 1.5% of wholesale value of energy.	State rate increase of 0.1% is continued two years until 7/1/79. Initiative 345 to exempt food for off-premises consumption approved by voters; effective 7/1/78.	Surtax of 6% is continued two years until 7/1/79. Deduction for minor final assembly.		Rate increased from 9¢ to 11¢, 7/1/77. Rate may vary between 9¢ and 12¢ starting 1/1/78.					Local taxes on amusement games limited to 2% of net receipts. Exemption of nonprofit bingo, etc.		

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1979	State regular levy for schools subject to 106% limit. Senior citizen exemption increased: households with income to \$11,000 exempt from all special levies; in addition, those with incomes to \$7,000 exempt from regular levies on the first \$15,000 value of residence. Open space lands exempt from benefit assessments. Regular levy of \$0.25 authorized for emergency medical service.		Timber tax reenacted from 1/1/79 to 6/30/81 at 6.5%. Fund A distributions frozen at 80% of timber roll.	State rate reverts to 4.5%, 7/1/79. Exemption for used mobile homes; but subject instead to 1% real estate excise tax. Local hotel/motel tax may be used for arts centers and tourist promotion.	Surtax of 6% expired, 7/1/79. Minimum taxable amount increased from \$300 to \$1,000 per month. \$1 registration fee replaced by \$25 deposit. Rates reduced to 0.125% for soybean processors and to 0.33% for stevedores and cargo agents. Credit for energy cogeneration facilities.		Rate increased from 11c to 12c, 7/1/79. Local gas tax of 2c authorized for city of Seattle for bridge construction.			Exemption of \$100,000 for spouse or minor child; \$10,000 for Class B. Revision of Class B and C brackets. Phase-out of community property, 1981-84. Farms and small businesses valued on current use. Gift tax (1/1/80): \$40,000 lifetime exemption; tax rates same as inheritance tax schedule.	Exemption for cost of annuities.	Pari-mutuel tax reduced from 5% to 4% or 4.5% for certain horse races.		
1980	Senior citizens exemption: 1/3 exclusion for social security is eliminated but income levels are increased by \$3,000; exemption for life estates. Exemption for added value of unconventional energy systems (until 1987) and for gasohol facilities. Compensating tax on open space lands shifted from buyer to seller. ----- 1% real estate excise tax is a state source as of 9/1/81.	Exemption for ride-sharing vehicles.	Compensating tax on sold timber lands shifted from buyer to seller.	Maximum transit tax in King County increased from 0.3% to 0.6% if approved by local voters. Exemptions for ride-sharing vehicles, orthotic and ostomic devices, and alcohol used in gasohol.	Exemption for manufacturing and wholesaling of gasohol. Special excise tax on commercial processors of food fish and shellfish is transferred to Department of Revenue, 7/1/80.	Deduction for cost of power produced by cogeneration or from renewable resources.	Exemption for alcohol used in gasohol.							
1981	Interest rate on delinquent property taxes increased from 8% to 12%, 7/26/81. New penalty of 11% for first-year delinquencies starting in 1982. Foreclosure period is shortened from 5 to 3 years in May 1983. Forest land values adopted by statute for 1982; to be updated by Department based on five-year average stumpage values. Exemption for nonprofit musical and artistic organizations and public assembly halls. Valuation reduction for natural disasters. Levy allowed for park and recreation service areas.		Timber tax for small harvesters based on actual sales receipts instead of stumpage value tables. 6.5% timber tax rate is extended until 6/30/83.	State rate increased from 4.5% to 5.5%, 12/4/81 - 6/30/83. Due date for monthly excise tax returns is advanced (15th of next month by April 1983). Exemption for nonprofit cultural organizations and youth groups. Manufacturers tax deferral limited to \$30 million investment per taxpayer; program to end 6/30/82. Vending machine food sales: 57% subject to tax. Revenue chargeback advanced from August 10th to July 25th in fiscal 1985.	Rate changes: cigarette wholesaling increased from 0.176% to 0.44%, 7/1/81; aluminum manufacturing increased from 0.4% to 0.44%, 7/1/81 - 6/30/83; wholesaling of lentils reduced to 0.01%. Dues and charges of youth groups exempt. Deductions for nonprofit cultural organizations and kidney dialysis. Applications for pollution control credits disallowed after 11/30/81.	Competitive telephone services removed from utility tax and subject to B&O and sales tax. County tax of 50c per telephone line authorized to fund emergency communication systems.	Rate increased from 12c to 13.5c, 7/1/81. Variable rate range increased to 12c-16c.	Rate increased from 16c to 20c, 7/1/81.	"Ounce" tax increased from 4c per ounce to \$1.72 per liter (equivalent to 5c/ounce). Beer excise tax increased from \$1 or \$1.50 to \$2.60 per barrel. Wine tax changed from 75c per gallon to 20.25c per liter.	State inheritance and gift taxes, except for amount of federal estate tax credit, repealed by the voters 11/81, effective 1/1/82.	Advanced payment of estimated premiums tax.			

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1982	Physical inspection requirement extended to six years, if assessor follows annual updating. Items leased on long-term basis qualify as inventories. Port industrial development levy extended to 12 years. Community redevelopment program allowing public projects to be repaid by increased property tax revenues, if approved by the voters (failed). Authorization for formation of solid waste disposal districts and cultural arts, stadium and convention districts - both with limited authority. ----- State real estate excise surtax of 4%, 5/1/82, increased to 7% 8/1/82; to expire 6/30/83. Local real estate excise tax of 0.25% may be levied by cities and counties; additional 0.5% may be imposed in lieu of additional 0.5% local sales tax.	Surtax of 4%, 7/1/82, increased to 7%, 10/1/82; to expire 9/30/83. MVET distributions to cities and counties revised to partially equalize disparities in per capita local sales tax receipts.	Leasehold and PUD surtaxes: 4%, 4/1/82, increased to 7%, 7/1/82; to expire 6/30/83. Timber tax extended to timber harvested on state and federal lands.	State rate reduced from 5.5% to 5.4% and tax reimposed on food products (except food stamp purchases), 5/1/82 - 6/30/83. Cities and counties may levy up to 1.0%. Nonresidents exemption fee increased from \$1 to \$5. Credit for sales taxes paid on bad debts, effective 1/1/83. Repayment of manufacturers tax deferral advanced. Prepayment of local sales tax. Hotel/motel tax to fund state convention center: 2% tax on lodgings in King County except within Seattle which is 3% for 1982 and 5% thereafter. Municipal hotel/motel tax of 3% authorized for convention centers.	Surtax of 4%, 4/1/82, increased to 7%, 7/1/82; both to expire 7/1/83. Excise tax registration fee changed from \$25 deposit to \$15 fee. Voluntary estimated tax reporting allowed monthly taxpayers with quarterly reconciliation. Exemption for international banking facilities. Cogeneration credit increased from 2% to 3%. Inventory tax credits for 1983 delayed until fiscal 1984. Disposal of radioactive waste subject to tax of 30%. Municipal business taxes limited to 0.2%.	Surtax of 4%, 4/1/82, increased to 7%, 7/1/82; both to expire 6/30/83. Rate for gas distribution increased from 3.0% to 3.6% (plus surtaxes). Tax applies to electricity sold for resale or consumption out of state. Municipal utility taxes limited to 6%.	Rate reduced from 13.5c to 12c under variable rate formula, 1/1/82. Aircraft fuel tax rate increased from 2c to 5c per gallon.	Cigarette tax increased to 20.8c, 5/1/82 and to 23c, 8/1/82; tobacco products surtax of 4%, 5/1/82, increased to 7%, 8/1/82; all increases to terminate 6/30/83. Increase in wholesalers and retailers fee; revisions in Unfair Cigarette Sales Act.	Liquor sales and liter tax surtaxes: 4%, 5/1/82, increased to 14%, 8/1/82; beer and wine surtaxes: 4%, 5/1/82, increased to 7%, 8/1/82; all increases to expire 6/30/83.		Surtax of 4%, 4/1/82, to expire 6/30/83. All premiums tax rates increased by 0.16%.	State lottery established.		
1983	Senior citizens exemption: in 1984, maximum income increased to \$15,000, value exempted increased to \$20,000; starting in 1985, two-step regular levy exemption depending upon income and residential value; annual filing eliminated. Reduced back taxes for nonprofit organizations that lose exempt status. Compensation for local taxing districts with large inventory values, 1984-87. Expanded levy authority for flood control and road service districts.	Permanent tax rate, motor vehicle excise, 2.354%. Aircraft excise tax schedule, \$20-\$125. State excise tax on pleasure boats, 0.5% of fair market value.	6.5% timber tax rate extended until 6/30/84. Permanent leasehold excise tax rate, 12.84%; PUD tax, 2.14% of gross revenue plus 5.35% of first 4 mills.	State rate increased from 5.4% to 6.5% in 36 counties, effective 3/1/83 (remains at 5.4% in 3 border counties). Tax extended to telephone service except local residential service. Revenue chargeback eliminated on 6/30/85.	Permanent tax rates effective 7/1/83; mfg., wholesaling 0.484%; retailing 0.471% (except 0.581% in 3 border counties); insurance 1.1%; service and other 1.5%. Exemption for nonproprietary income of local government and out-of-state direct sellers. Estimated reporting for monthly taxpayers dropped and due date moved back to 25th of following month in April 1985.	Permanent tax rates effective 7/1/83: most utilities, 3.852%; urban transit, 0.642%; motor transportation and other, 1.926%.	Rate increased from 12c to 16c, 7/1/83. Variable rate calculation repealed. Minimum rate of 5c per gallon for aircraft fuel tax.	Permanent tax rate 23c per pack; tobacco products, 48.15%.	Permanent tax rates effective 7/1/83: liquor sales 17.1% (Class H, 11.4%); liquor liter, \$1.9608; beer excise, \$2.782 per barrel; wine excise, 21.6675c per liter.				Permanent tax rates: state real estate excise tax, 1.07%; conveyance tax, 53.5c per \$500; insurance premiums - domestic, 1.21%; foreign, 2.25%; ocean marine, 0.9464%. Uniform unclaimed property act adopted. Hazardous waste tax on selected industries identified by Department of Ecology.	
1984	Exemption granted nonprofit cultural or art education programs. Clarification of exemption requirements. Full amount of delinquent property taxes not due until Oct. 31. Department to assess taxable boats. Current use assessment for conservation rights. Uniform eligibility requirements for senior citizens exemption and deferral.	Revision made to formula for distribution of MVET equalization. Power boats under 16 feet required to be registered.	Phase down of timber tax from 6.5% to 5%, 1985 to 1988. County tax of 4% credited against state tax, 7/1/84.	Maximum transit tax increased from 0.3% to 0.6%. Municipal hotel/motel tax of 3% repealed. Exemption for used floating homes. Exemption for trade-ins adopted by initiative, effective 12/06/84.			Rate increased from 16c to 18c, 7/1/84.	Revisions in Unfair Cigarette Sales Act: manufacturers' discounts passed on to retailers.					County tax authorized for nonresident employees, 7/1/85.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1985	Valuation standards for open space lands under current use assessment to be established by counties. Fire district and emergency medical service levies revised. Exceptions to school M&O levy limit extended to 1993. Improvements to certified historic properties may be exempt for 10 years.	Boats under 16 ft. and 10 h.p. exempt from state registration.		Lower state rate in 3 border counties disallowed by the Court, effective 1/1/85. Sales tax deferral programs for new manufacturing or R&D firms; applications through 1986 or 1991. Tax may be included in advertised price. Exemptions for gold bullion and feed for commercial fish raising. Use tax on rental value.	Exemptions for raising of animals under contract, commercial production of fish, and all business receipts of nonprofit arts organizations. Rate reduction for meat processing. Credit for B&O taxes paid by Washington manufacturers or extractors in other states.	Rate increase for water distribution from 3.852% to 5.029%, 7/1/85. Activities transferred from B&O tax: sewerage, 3.852% and garbage collection, 5.029%.							Conveyance tax increased from 53.5¢ to \$1.00 per \$500. Annual assessment of 0.12% on retailers of new replacement vehicle tires for DOE. Definitional changes for fish privilege tax.	
1986	Revision to 106% limit override provisions. Clarification of historic property exemption. Interstate commerce vessels and commercial fishing boats are exempt if in the state for less than 120 days per year. Levies for school capital purposes may be for up to 6 years.		Leasehold excise tax credit for the amount that the tax exceeds the equivalent property tax.	Expansion of 1985 sales tax deferral for manufacturers and R&D. Exemptions for hearing aids, livestock for consumption, feed for animals at public livestock markets, material for producing ferrosilicon.	Credit of \$1,000 for each qualified new employee of manufacturing or R&D firms in distressed counties, effective 4/1/86 - 6/30/88.	Warehousing transferred from public utility to B&O tax. Garbage collection removed from public utility tax and subject to new tax of 3.6% collected from the customer, 6/11/86.		Rate increased for cigarettes, 23¢ to 31¢, and tobacco products 48.15% to 64.9% earmarked for water quality programs, effective 4/1/86. Changes in Unfair Cigarette Sales Act; to expire in 1991.					Insurance premiums tax rates: 2% for both foreign and domestic companies, 0.95% for ocean marine; effective 7/1/86.	
1987	Reports no longer required: listing of exempt assembly halls, impact of open space program, revaluation progress. Adjustments to state levy clarified. Valuation of motor transportation shifted to assessor. Special M&O school levy limit raised from 10% to 20% of budget; equalization procedure established. Senior citizens exemption income limits increased. Exemptions: leased arts facilities, student loan organizations, dialysis facilities.	Motor vehicle excise tax increased from 2.354% to 2.454%, January 1989 through December 1990.	Timber tax minimum increased from \$10 to \$50 per quarter; special products allowed small harvester option.	Exemptions for food stamp purchases, fishing boat fuel, state ferry fuel, and Christmas tree production materials. Manufacturers deferral includes aluminum plants. Corporate officers sales tax liability. Revenue chargeback (July 10th) eliminated; fiscal year accounting ends on June 30th.	Multiple activities exemption repealed; credit for manufacturing tax against selling tax. Credit for B&O tax paid in other states by manufacturers. Rate reduction for pearl barley. Exemptions for Christmas trees, conditioning of seed, processed hops, student loan organizations and adult family homes.	Sewerage collection does not include transfer and processing; these are subject to B&O tax.		Sellers' compensation increased from \$1.85 to \$4.00 per 1,000 stamps.					Conveyance tax repealed; incorporated with real estate excise tax with rate increase from 1% to 1.34%. Previous hazardous waste tax replaced by 0.8% tax on wholesale value of selected chemicals and other substances. Fee of \$5 on new wood stoves; collection by DOR. Local hotel/motel tax of 2% for Pierce County.	
1988	Head of household exemption increased from \$300 to \$3,000. State levy excluded from proration; assistance to small counties to avoid proration.			Sales tax deferral for manufacturing expansions extended through FY 1994. Tax extended to prepared food items. Nonresident permit eliminated as of July 1989. State convention center tax on hotel/motels in King County increased from 5% and 2% to 6% and 2.4%, 7/1/88.	Total exemption for sheltered workshops.								Local hotel/motel taxes authorized for Spokane, Yakima, Ocean Shores and Pierce and Thurston Counties.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1989	Revision in exemption for retirement homes for the aged; percentage of exemption depends upon number of residents that would qualify for senior citizens exemption. Various changes that affect property tax administration including authority to pay the tax with credit cards.			A special use tax equal to the public utility tax rate of 3.852% is imposed on natural gas purchased from out of state via brokers.	B&O deduction for nonprofit trade shows and educational seminars.	Basic rate on electrical power increased from 3.852% to 3.873% to make up for the inability to tax power sold out of state.		Cigarette tax increased from 31c to 34c, effective 6/1/89, with receipts earmarked for drug enforcement and education programs.	Taxes increased to fund drug programs: (1) wine tax from 21.92c to 22.92c (or 45.36c); (2) beer tax from \$2.78 to \$4.78; (3) additional tax of 7c per liter on hard liquor.				New tax on petroleum products; 0.5% of wholesale value, effective 7/1/89. New tax of 1% on customers of solid waste collection firms, effective 7/1/89. New tax on soft drinks of 1c per 12 ounces (or 75c per gallon of concentrated syrup) effective 7/1/89 with receipts dedicated to drug programs. Assessment of 0.12% on new replacement vehicle tires is replaced with fee of \$1.00 per tire effective 10/1/89.	
1990	Aggregate levy rates of all local taxing districts increased from \$5.55 to \$5.90/\$1000 to relieve prorationing. Special valuation of historic property extended permanently. Exemption for nonprofit shelters for homeless persons. Special levies allowed for hospital and metropolitan park districts. Personal property ratio - may use prior year assessment roll.	Rate reduced from 2.454% to 2.2%. Valuation schedules revised and transferred from Department of Revenue to Licensing. Local MVET of 0.8%.	Leasehold tax exemption extended to "officers row" at Fort Vancouver.	Local sales taxes authorized: 0.1% for 6 counties for criminal justice programs and 1% for high capacity transportation funding. Monthly, rather than bimonthly, distributions of local sales tax receipts, 7/1/90.	Rate on disposal of low-level radioactive waste reduced from 33% to 16.5%, 3/13/90. Exemption for small timber harvesters. Electronic transfer of state excise tax payments for large taxpayers, starting 1/1/91.	Deduction for payments to builders and owners of new residences for meeting energy code requirements.	Rate increased from 18c to 22c, 4/1/90; rate increased to 23c, 4/1/91. Local gas tax authorized rate to equal 10% of state rate.	\$250 penalty for possession of unstamped cigarettes.					Wood stove fee increased from \$5 to \$15. Local employer tax of \$2 authorized. New fees on generators of hazardous waste: \$35 due 10/1/90 plus an unspecified fee, 7/31/91. Mobile home fee replaced by \$65 fee on transfer of title. \$1 lot fee to expire on 12/31/90. Local real estate excise taxes: 0.25% for comprehensive planning and 1% for acquisition of conservation lands.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1991	Senior citizen exemption income and home value limits increased. Exemption for custom computer software; canned software subject to tax for only the first two years after acquisition.			Exemption for oxygen concentration equipment. Local sales tax (0.1%) for criminal justice extended to Yakima County. Local sales tax of 0.1% authorized for public facility districts (i.e., Spokane County).	Rate for disposal of low-level radioactive waste reduced from 16.5% to 11%, 5/20/91; further reduced to 5.5%, 1/1/92 and to 3.3%, 7/1/93. Excise tax interest rates tied to short-term federal rate: for delinquencies, +2% and for refunds, +1%.								New tax on crude oil and petroleum products imported via water: 5¢ per 42-gallon barrel. Air pollution fees levied by DOE upon polluters; collection by DOR. Wood stove fee increased from \$15 to \$30, 1/1/92. New tax levied upon hospitals, equal to 20% of Medicaid receipts. Pari-mutuel tax rates reduced, 5/20/91.	
1992	Maximum income for senior citizens exemption increased from \$18,000 to \$22,000. Renewal applications for senior citizen exemption required every four years. New category for current use assessment: farm conservation land; other changes to the program requirements.	Rental cars exempt from MVET.			Litter tax revised to allow a taxable percentage of income for an industry's litter products.								New state tax of 5.9% and authorization for county taxes of 1% levied on rental of passenger vehicles for periods less than one month. Medicaid tax on hospitals is terminated by action of federal OMB; similar tax extended to intermediate residential health care facilities for the mentally retarded.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1993	The state to collect the state levy on commercial vessels, starting 1/1/94. Additional local levy of 50¢ to fund low-income housing programs. Various changes to the formula for exemption of homes for the aging. Exemption for nonprofit, nonsectarian fund-raising. Assessments to reflect "governmental policies," e.g., growth management requirements.			Tax base extended to selected services including landscape maintenance, guided tours, rental of equipment with operator, physical fitness, massage and certain other personal services. The 0.1% local sales tax for criminal justice is extended indefinitely and the levying authority expanded to any county. Sales tax deferral for manufacturers locating in economically distressed areas broadened to include neighborhood reinvestment areas. Prescription drug exemption expanded to include birth control. Exemption for ride-sharing vehicles broadened to include passenger cars which carry as few as five persons. Provisions concerning resale certificates tightened and 50% penalty established for improper use.	New, permanent B&O rate classifications: business services at 2.5% and financial services at 1.7%; the permanent rate for all other services increased from 1.5% to 2%, effective 7/1/93. Temporary surtax of 6.5% applied to most B&O classifications (except business and financial services, retailing, and public/nonprofit hospitals) for four years, effective 7/1/93. B&O tax extended to income of public and nonprofit hospitals; tax rate is 0.75%, 7/1/93 through 6/30/95 and 1.5% thereafter. Credit for jobs created in distressed areas broadened to include neighborhood reinvestment areas and timber impact areas. Magazines removed from printing/publishing classification. Health maintenance organizations removed from B&O tax and subject to new insurance premiums "prepayment" tax of	Deduction for income relating to construction by municipal utilities is repealed.		Cigarette tax increased from 34¢ per pack: to 54¢, 7/1/93; to 56¢, 7/1/94; to 74¢, 7/1/95; and to 75¢, 7/1/96. Tobacco products tax increased from 64.9¢ to 74.9¢, effective 7/1/93. Additional receipts dedicated to health care funding.	Various liquor taxes increased on 7/1/93, 7/1/95 and 7/1/97, to provide funding for health care: liquor sales tax, from 17.1% to 18.7%, to 19.7% and to 20.5%; liquor sales tax (Class H purchasers), from 11.4% to 12.5%, to 13.1% and to 13.7%; liquor liter tax from \$2.031 per liter to \$2.231, to \$2.331 and to \$2.441; and beer excise tax from \$4.782 per barrel to \$5.742, to \$7.172 and to \$9.562.			Fish tax rates increased, effective 1/1/94. Real estate excise tax applied to transfers of the controlling interest in real property; exemption for sales to government is repealed. Local hotel/motel tax of 2% authorized for Pasco and Cowlitz County; maximum rate of tax in Yakima County increased from 2% to 3%. Tax on facilities for mentally retarded persons reduced from 15% to 6%. Insurance premiums tax credit for assessments to cover liability of insolvent		
1994	Authorization for local committee to be established in each county to determine funding of revaluation efforts. Park and recreation levies increased from 15¢ to 60¢ per \$1,000. Exemption renewals for nonprofit organizations required annually instead of every four years. Maximum income for qualified recipients of senior citizen exemption increased from \$26,000 to \$28,000; future limit tied to rate of inflation.		Purchasers of private timber required to report pertinent data to DOR.	New sales tax deferral programs for high-technology firms for research and development facilities and pilot scale manufacturing plants. Sales tax deferral for manufacturers expanded: one new job for each \$750,000 of investment; includes leased structures, machinery with construction, locations adjacent to distressed areas if 75% of the employees live in the distressed area, areas designated by the Governor which experience natural disasters or abnormal economic impacts, etc. Exemption from tax on physical fitness services for nonprofit youth organizations. Equalization provided for local transportation sales/use tax; MVET funds to be used to provide additional funding for those districts which receive less than 80% of the state average per capita local tax.	Minimum taxable amount of \$1,000 per month replaced by credit of up to \$35 per month against the computed tax liability. Tax credit for high-technology firms for research and development expenditures. Reduction in B&O surtax rate from 6.5% to 4.5%, effective 1/1/95. Magazines restored to printing and publishing classification. Tax credit for expenditures for ride-sharing programs by large employers in the eight largest counties.	Tax credit for expenditures for ride-sharing programs by large employers in the eight largest counties. Deduction established for electric power firms whose customers are geographically dispersed.	Exemption for gasohol repealed.	The 3¢ rate for drug education is increased to 10.5¢, effective 7/1/95.	Liquor taxes that fund drug education are extended indefinitely.				Tax on carbonated beverages allowed to expire as scheduled on 7/1/95; however, the tax on "syrup" for carbonated beverages will then be extended indefinitely and the rate increased from 75¢ to \$1.00 per gallon. Local hotel/motel taxes authorized for Snohomish County and the city of Ilwaco. New fee established on metals mining and processing; DOR to administer.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1995	State levy rate reduced by 4.7% for 1996 collections only. Senior citizens exemption and deferral income levels increased. Residential values of eligible senior citizens frozen at 1/1/95 levels.		Short-rotation hardwoods, e.g. cottonwoods, subject to property tax instead of timber excise tax. Requirements for small timber harvester expanded.	Exemption established for machinery/equipment purchased by manufacturers, effective 7/1/95. Statewide sales tax deferral for new manufacturing firms repealed; expansion to distressed area deferral program and the 1994 high tech deferral converted to outright exemption. New 0.1% local sales tax for correctional facilities. Local sales tax authority for public facilities districts expanded to any county (formerly only Spokane). Sales tax deferral for construction of professional baseball stadium and thoroughbred horse racing track. Equalization program for local transit taxes. Funding of professional baseball stadium: local sales tax of 0.017% applied on all sales throughout King County; amounts credited against state 6.5% sales/use tax.	Rate reduction for insurance agents/brokers and international investment management firms.			Administrative revisions for cigarette tax collection; precollection of the tax by wholesalers, stamps required for nontaxed cigarettes for Indian consumption; requirements for transporting cigarettes tightened.					Two new local taxes in King County to fund professional baseball stadium: 0.5% tax on restaurant/bar sales and additional 2% car rental tax. King County may levy a 10% admissions tax on professional baseball stadium events. New tax of 2% on hotels/motels within Seattle adopted to finance expansion of convention center, effective 1/1/2000; tax credited against state sales tax. Various new local hotel/motel taxes authorized.	
1996				Manufacturing machinery exemption expanded to include repairs and R&D equipment. Exemption for materials used in design and development of aircraft parts. Distressed areas sales tax deferral/exemption expanded to cover counties with low median household income.	Permanent service classification rates reduced, effective 1/1/96: business services from 2.5% to 2%; financial services from 1.7% to 1.6% and all other services from 2% to 1.75% (plus surtax). B&O jobs credit doubled to \$2,000 per FTE. New tax credit for training costs of employers in distressed areas. Expansion of tax credits for ride-sharing expenditures of employers. Small firms need not file tax returns unless annual income equals or exceeds \$24,000.	Tax rate for railroads reduced from 3.852% to 1.926% (including surtax). Expansion of tax credits for ride-sharing expenditures of employers. Deduction expanded for power companies with geographically dispersed customers. Small firms with annual incomes of less than \$12,000 don't have to register for tax purposes; tax returns need not be filed unless annual income equals or exceeds \$24,000.							New local hotel/motel taxes authorized.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1997	State levy rate reduction of 4.7187% extended to 1997. Referendum 47 approved by the voters in November 1997. It will: (1) limit future increases in assessed values of real property generally to 15% per year; (2) reduce the 6% limitation on growth in regular levy receipts for most taxing districts to the rate of inflation; and (3) permanently extend the 4.7187% reduction in the state levy rate. New exemption for parcels of real property and personal property accounts valued at less than \$500. Allowable uses of exempt public assembly halls or meeting places are broadened. Exemption for intangibles is clarified and certain types of intangibles are specifically included in the exemption (e.g., trademarks, patents, etc.), effective for valuations starting on 1/1/98. Exemption for certain sales at nonprofit			Remittance for state sales tax paid on construction and equipment purchased for use in certain large warehouse facilities and retail distribution centers. New exemptions for coal-fired, electric generating plants (Centralia) including construction and repair of air pollution control facilities and coal consumed in such facilities. Retail sales tax on mobile homes to be collected by the retail dealer rather than the county auditor. Exemption for certain sales at nonprofit camps and conference centers. New local sales/use tax of 0.04% authorized for economically distressed rural counties, effective 7/1/98; receipts are credited against state sales/use tax. Use tax exemptions for vessel manufacturers and dealers allowing incidental (but not personal) use of boats. Financing of professional	Complete rollback of all B&O service rates to 1.5%, effective 7/1/98, thereby reversing the 1993 rate increases. B&O jobs credit is increased from \$2,000 to \$4,000 if firms can demonstrate that the new positions are paid at least \$40,000 annually. Jobs credit expiration date (7/1/98) is repealed and the \$300,000 cap per firm is eliminated; program limit of \$15 million per biennium is reduced to \$11 million for 1997-99. Simplified small business credit, allowing use of a ranged table instead of calculating the \$35 credit amount. Cubing of hay and alfalfa is removed from manufacturing tax. Exemption for vehicles sold by manufacturers at wholesale auto auctions.	Exemption for small water districts with high rates for residential water service.		Enforcement (not collection) of cigarette and tobacco products taxes transferred from DOR to Liquor Control Board.	Beer excise tax rate reduced by \$1.48 per barrel.				Revision in local hotel/motel taxes; instead of state-shared 2% tax plus specified additional taxes of 2% - 3%, any city or county may levy up to 4% with credit against the state tax limited to 2%. Collection of metals mining fee transferred from DOR to DOE. Revision in application of interest for excise taxes. New local taxes for financing a professional football stadium: extension of hotel/motel tax; county admission tax of 5%; and county tax of 10% on parking.	
1998	Senior citizens exemption income and valuation limits are increased for taxes due in 1999. Valuation of commercial vessels and steamboat companies revised.	Proposed reduction in MVET if voters approve Referendum 49 in November 1998: a credit of \$30 per vehicle would be allowed and the depreciation schedule for taxable vehicle values would be reduced in the second and third years.		Elimination of requirement for purchasers of exempt manufacturing machinery to report to the Department. Taxation of computer software is clarified. Comprehensive exemption for fundraising income of nonprofit organizations. Repayment of deferred sales tax on horse racing facility extended by five years. Four-year deferral of sales tax allowed for construction of second bridge across Puget Sound at the Narrows.	Consolidation of specialized B&O tax rates: 0.011% rate for grain wholesaling eliminated and other activities shifted to lower rates, effective 7/1/98. Tax on internal distributions repealed, effective 7/1/98. Tax on royalty income reduced from 1.5% to 0.484%, effective 7/1/98. New tax credit of \$3,000 annually for five years for new employees of firms engaged in international services. Comprehensive exemption for fundraising income of nonprofit organizations. Exemption for wages paid to on-site personnel by property management firms, if paid by the property owner.								Litter tax will be reported on each tax return filed by taxpayers, rather than annually, starting 1/1/99. Collection of enhanced 911 telephone tax shifted to Department of Revenue, effective 1/1/99. Reduction in pari-mutuel tax rates.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
1999	Local regular levies for medical services extended. New exemption for low-income rental housing owned by nonprofits.	Motor vehicle excise tax repealed by the voters (I-695), eff. 1/1/2000.	Timber tax credit, effective 1/1/2000, for harvests impacted by salmon regulations. The credit effectively reduces the tax from 5% to 4.2%.	Sales tax exemption for manufacturing machinery clarified with respect to logging and rock crushing equipment; exemption extended to testing equipment. Distressed area sales tax deferral/ exemption program changed from unemployment basis to population density basis. Authorization for local sales tax (credited against the state tax) of 0.04% changed from unemployment basis to population density basis; maximum rate increased to 0.08%. New local sales tax of 0.2% authorized for public facility districts to finance convention centers; also state-credited 0.033% sales tax. New local sales tax of 0.1% authorized in Pierce County to finance zoos. Exemption for costs related to certain landslides.	Existing B&O jobs credit in distressed areas changed to population density basis. New tax credit for employees that produce computer software in rural counties. New tax credit for income derived in rural counties from providing help-desk services to third parties. Existing tax credit for commute trip reduction program extended by six years to 6/30/2006.	Tax credit for certain contributions by electric power companies in rural counties relating to economic development.							Real estate excise tax extended to step transfers. Fish tax rate on sea urchins/cucumbers increased.	
2000	Property tax exemption for motor vehicles clarified. Initiative 722 approved by voters: limits increase in taxes for individual properties and growth in taxing district revenues; ruled unconstitutional in 2001.	Although I-695 was ruled unconstitutional, the Legislature also replaced the MVET and camper/travel trailer excise taxes with a \$30 license fee.		Exemption for agricultural field burning equipment. One additional community empowerment zone authorized. Maximum local sales tax for transit increased from 0.6% to 0.9%.	Deduction for wholesale sales of electric power.	Deduction for wholesale sales of electric power.								
2001	Farm machinery exempt from state levy. DOR to collect deferred property taxes by eligible senior citizens, instead of county treasurers. Authorization for community revitalization (tax increment) financing using local taxing district levies; does not apply to state levy. Voters approve Initiative #747 limiting growth in regular levies to 1% each year.		Timber tax exemption - growing cycle for exempt hardwoods extended from 10 to 15 years.	Change regarding resale certificates for certain taxpayers - collection of information electronically. Direct pay permits for remitting of use tax by certain taxpayers. Exemption for pharmaceuticals for livestock. Exemptions for chicken producers - fuel for heating and bedding materials. Exemptions for dairy producers nutrient management systems and manure digesters. Exemption for pollution control equipment for electrical "peaking" plants.	Rate reduction for processors of dairy products. Deduction for public and nonprofit hospitals for Medicare income from managed care organizations. Exemption for used vehicles sold at wholesale auto auctions; auto dealers to collect B&O tax on "courtesy" sales made by out-of-state dealers. Tax credit for public utility tax paid by direct service industries.	Tax credit for tax paid by electric utilities that service direct service industries. Tax credit for electric and gas utilities for billing discounts to low-income households. Deduction for expenditures for water efficiency.		Authorization for the state to enter into contractual agreements with certain Indian tribes providing for tribal cigarette taxes. Voters approve Initiative #773 increasing cigarette tax to \$1.425 and tobacco products tax to 129.4%.						
2002			Local MVET of 2.5% authorized to finance monorail system. Voters approve Initiative #776 repealing local MVET for mass transit.	New local taxes authorized: 0.1% for emergency communication systems and 0.5% for regional transportation improvements. Proposed 1% sales tax on motor vehicles to finance statewide transportation improvements defeated by the voters.			Proposed increase in gas tax from 23c to 32c defeated by the voters.						Wireless telephone lines: new state tax of 20c per month and county tax increased from 25c to 50c per month. New local real estate excise tax of 0.5% authorized for affordable housing.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
2003				Rate increased by 0.3% for sales and leases of new and used motor vehicles, effective 7/1/2003. Implementation of major pro-provisions of Streamlined Sales Tax Agreement, making Washington's tax base more uniform with other states. New exemptions for construction and computer expenses of airplane manufacturers. New exemptions for construction and certain chemicals of semiconductor manufacturers. New exemptions for producers and sellers of biodiesel and wood biomass alternative fuels.	Due date advanced five days for monthly state excise tax reports to 20th of following month. Tax credit for commute trip reduction restored. Rate reduction and new tax credits for aerospace industry, relating to production of a "super efficient" airplane. Rate reduction and tax credit for new employees for the semiconductor industry.	Tax credit for commute trip reduction restored.	Rate increased from 23c to 28c, effective 7/1/2003.	New reporting requirements for manufacturers of tobacco products and out-of-state vendors selling to Washington residents.					New fee for nursing homes of \$6.50 per patient per day; DOR to collect. New local lodging fee of \$2 per night; DOR to collect.	
2004	Increase in income and assessed value limits for senior citizens/disabled persons property tax exemption. New property tax levy of 50c authorized for criminal justice funding, but only for counties with up to 90,000 residents. Fire districts authorized to form regional fire protection service authorities.		Phase-out of state timber tax on public lands; commensurate phase-in of county tax, so that by 2014 the state and county taxes on both private and public lands will be identical. Property tax exemption for standing timber extended to timber on state lands (private and federal lands are already exempt).	Deferral of sales tax on construction of eligible R&D facilities and equipment for firms in five "high technology" industries extended to end of 2014; also state universities are added to the program. Deferral of sales tax on eligible construction and equipment purchases by manufacturers in rural counties and CEZs extended by six years until end of FY 2010; also Island County added to the program. Tax credits for sales tax paid by aluminum smelters through 2006. New exemptions for computer equipment used by printers and publishers.	Tax credit for R&D expenditures by firms in five "high technology" industries extended until end of 2014; calculation of the amount of credit is revised. Tax credits for computer software development firms and help-desk services that locate in rural counties extended through 2010. Tax rate reduced for licensed adult boarding homes from 1.5% to 0.275%; deduction allowed for Medicaid receipts. Tax rate reduced from 0.484% to 0.2904% for aluminum smelters through 2006. Tax credit for property taxes paid by aluminum smelters through 2006. Tax credits for firms that supply power to aluminum smelters. New exemptions established for federal grant receipts related to the small business innovation research program and the small business technology transfer program.	Tax credit for electric companies for contributions to rural economic development is extended by six years to 2011; various other changes to the program. Tax credits for purchases of power by aluminum smelters.							Gift certificates exempt from reporting as unclaimed property.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
2005	New exemption program for widows/widowers of veterans, similar to senior citizens/disabled persons property tax exemption.			Deferral/exemption extended to fruit and vegetable processing and cold storage facilities. Expansion of the existing tax remittance program for cold storage warehouses. Existing sales and property tax exemptions and B&O tax credits for field burning equipment are replaced by a new sales tax exemption for specific types of agricultural equipment.	New B&O tax on games of chance and pari-mutuel wagering to fund problem gambling program; tax rate is 0.1% through FY 2006, then 0.13%. Total exemption for income related to processing fresh fruit and vegetables, if the products are shipped outside the state. B&O rate reduction for manufacturing of solar energy systems; rate drops from 0.484% to 0.2904% for a ten-year period.	New tax incentive to encourage use of renewable energy resources; customers that invest in such technologies may receive an investment cost recovery of up to \$2,000 from the energy supplier, who in turn may credit these payments against public utility tax liability.	Phased-in increase in gas tax: from 28 cents to 31 cents, 7/1/2005; to 34 cents, 7/1/2006; to 36 cents, 7/1/2007; and to 37.5 cents, 7/1/2008. Aircraft fuel tax rate increased from 10 cents to 11 cents per gallon.	Increase of 60 cents in cigarette tax, bringing total to \$2.025 per pack. Tobacco products tax rate rolled back from 129.42% of the wholesale price to 75%, with a maximum tax of 50 cents per cigar. New type of cigarette tax agreement with the Puyallup tribe in which the state will receive 30% of the tribal tax receipts.	Liquor liter tax increased from \$2.44 to \$3.77 per liter.			Washington's estate tax, consisting of the federal estate tax credit for state estate taxes, was ruled unconstitutional by State Supreme Court on 2/3/2005. A new stand-alone estate tax was enacted, effective 5/17/2005. Nursing home quality maintenance fee (\$6.50 per patient per day) phased out over six years; the fee will be repealed on 7/1/2011. Changes in reporting of state real estate excise tax by counties; development of new electronic reporting system		
2006	Exemption for personal property of heads of households is increased from \$3,000 to \$15,000 if HJR 4223 is approved by the voters. Increased assessed value of wind turbines exempt from levy limits. Levy for passenger ferry service broadened to any ferry service.		Local MVET authorized for regional transp. investment district. New statutory depreciation schedules for local motor vehicle excise taxes.	Exemption for diesel and aircraft fuel used on farms. Exemption for nutrient mgmt. systems extended to all livestock feeding facilities. Exemption for aluminum smelters extended for five years. Exemption for aerospace computer purchases broadened. Exemption for solar hot water heating equip. New deferral/exemption for biotechnology manufacturing facilities. Exemption for gasses and chemicals for producers of semiconductor materials broadened. Clarification of sales tax on services for insurance companies. Deferral/ exemption program for fruit vegetable processors extended to processors of dairy and seafood products. Tax increment financing: (1) new state-credited local sales tax for infra-structure financing related to hospital benefit zones, and (2) new state-credited local	Due date for monthly excise taxpayers moved back five days to the 25th of the following month. Reduced tax rate and credit for property taxes for aluminum smelters extended for five years. Reduced tax rate for manufacturing semiconductor materials broadened. Tax credits for aerospace manufacturing and aircraft repair broadened. Exemption for processors of fruit and vegetables will now expire on 7/1/2012, but is expanded to manufacturers of dairy and seafood products. Reduced tax rate for services performed for canners of salmon. Tax credit for workforce training costs. Deduction for income associated with sales of auxiliary power to heavy duty truckers at truck stops. B&O tax credit for the \$1.00 per gallon tax paid on syrup to produce carbonated beverages.	Credit for billing discounts increased for FY 2007 only. Deduction for income associated with municipal transit service.							Expiration of petroleum products tax (not currently imposed) moved back to 6/1/2013. Regional transp. investment district may levy surcharge on state rental car tax. Nursing home fee (currently \$5.25 per patient per day) is repealed, 7/1/2007.	

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
2007	Constitutional amendment authorized to repeal the super-majority voting requirement for special school levies, subject to approval by the voters in November 2007. Application fees for property tax exemption for nonprofit organizations eliminated. In November State Supreme Court ruled that Initiative 747 limiting the growth in regular property tax levies to 1% annually is unconstitutional; Legislature responded by enacting a new 1% limit. New property tax deferral program with no age restrictions enacted; homeowners with income up to \$57,000 may defer one-half of their annual property taxes up to 40% of the equity value in the residence.		Contractual agreement with Quinault tribe to allow a tribal timber excise tax on timber harvested on the reservation, instead of the state timber excise tax.	Final adoption of Streamlined Sales and Use Tax Agreement to make administration of sales tax more uniform throughout the nation. The agreement requires destination-based sourcing of tax on delivered goods; a mitigation program for adversely impacted local jurisdictions is included in the bill. New sales/use tax exemptions for boats either purchased by or already owned by nonresidents for up to one year, if a use permit is purchased. Innovative Partnership Zones – may qualify for funding under the "LIFT" program or the rural county local sales tax. Authorization of new 0.2% local sales tax for health sciences authority. Exemption for agricultural machinery parts is broadened to include repairs. New exemption for electronically transmitted financial data. Rate of local	Extension of deduction for sales of biodiesel and alcohol fuel; definitions include "E85" fuel. New exemption for sales of natural or manufactured gas, if the firm is not engaged in this activity. New exemption for wholesale sales of unprocessed milk. Income from sales of standing timber is subject to B&O. New deduction for income from administering prescription drugs. New exemption for custom services provided to farmers.	Deduction allowed for agricultural products shipped to marine export facilities.							Sales of standing timber exempted from real estate excise tax.	
2008	Veterans disability and other benefits deducted from income for senior citizens exemption and deferral programs.			Exemptions for certain weatherization materials. Deferral of state/local sales/use tax on replacement of 520 floating bridge. Deferral/exemption for headquarters offices located in a CEZ. Retention of origin-based sales tax sourcing for florists under Streamlined Sales Tax. Remittance of sales tax for low-income working families based on a portion of the federal Earned Income Tax; program depends upon future authorization by the Legislature in the budget.	Rate reduction for income from Internet versions of newspapers. Credit for pre-production expenses of a polysilicon manufacturing plant with > \$500 million investment. Credit equivalent to sales tax paid on energy-efficient commercial appliances. Exemptions for beekeepers. Aerospace tax incentives are broadened to include production of tooling used in manufacturing of aircraft, all FAA certified aircraft repair, developmental expenses for all aerospace products, and reduced tax rate for aerospace product development.			New agreement authorized with the Yakama Nation providing for a tribal cigarette tax equal to 80% of state cigarette and sales taxes.						

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
2009	Annual updating of real property values required by 2014; program of state assistance. Current use program includes property devoted to equestrian uses; modification of income requirements for standing crops. New local levy authorized for transit purposes in King County.			Elimination of resale certificate; replaced by seller's permit issued by the Department. Exemptions for batteries and infrastructure for electric vehicles. Digital goods (music, books, movies, etc. transmitted by electronic means) are subject to sales tax. New local infrastructure financing program (LIFT-II). Local sales tax for annexation services extended to Seattle. Authorization for high capacity transit districts in Spokane and Clark counties. New exemptions for renewable energy (biomass, tidal and wave, geothermal, solar, hog fuel, etc.) for four years. Exemptions for hybrid vehicles repealed early on August 1, 2009.	Tax on nonprofit and public hospitals goes to general fund, rather than health services account. Digital goods subject to tax. Further rate reduction for manufacturing/wholesaling of solar energy systems. Permanent rate reduction to 0.2904% for newspapers.	Expiration date for exemption for electrolyte processors extended by eight years to 2019. Rate reduction from 1.8% to 1.28% for hauling of logs on public roads for four years.		Dedicated funds eliminated; all receipts go to general fund.	Dedicated funds eliminated; all receipts go to general fund.				Local room fee for lodging firms extended to King County. Replacement tire fee (\$5) continued indefinitely.	
2010	Electronic payment of property taxes is authorized. New type of district – Community Facilities District – authorized to impose special assessments on property. Extension of exemptions for alcohol, biodiesel, and wood biomass manufacturing facilities until 2015. New exemptions for nonprofit community centers and nonprofit farmers' markets.		Leasehold tax exemption for nonprofit community centers. Requirement for timber excise taxpayers to report purchase data is continued through FY 2014.	Tax extended to candy on permanent basis and to bottled water through FY 2013. Voter referendum to continue the new sales tax on bottled water after 6/30/2012, if approved by electorate in Nov. 2010. Rural county sales tax deferral program changed from population density basis to unemployment criterion; only 13 of the current 32 counties will continue to qualify. New exemption for electric power infrastructure and equipment used in data centers that contain computer servers which are located in rural counties. New exemption for wax or ceramic materials used to create molds for casting of certain metals. Extension of exemption for clean-burning fuel vehicles until 2015. Local sales tax for public safety extended to cities at max. rate of 0.1%. Local sales tax for mental health extended to	Service rate increased from 1.5% to 1.8% from 5/1/2010 through 6/30/2013; small business tax credit doubled for service firms on permanent basis. Economic nexus – apportionment of royalties and service income based on location of sales. Tax extended to corporate directors' fees. Extension of preferential tax rate for aircraft repair until 2024; preferential rate for aluminum smelters continued through 2016.			Cigarette tax rate increased by \$1.00 to \$3.025, 5/1/2010. Tobacco products tax increased from 75% to 95% of wholesale price; max. tax per cigar raised from 50 to 65 cents.	Beer excise tax rate increased temporarily from \$8.08 per barrel to \$23.58, 5/1/2010 through 6/30/2013.				New tax on carbonated beverages: 2 cents per 12 ounce container of canned or bottled soft drinks; tax is imposed on temporary basis from 7/1/2010 – 6/30/2013. State 911 telephone tax rate increased from 20 to 25 cents per line; tax extended to voice over the Internet (VOIP). County 911 tax increased from 50 to 70 cents per line; administration shifted to state DOR. State convention center tax – 7.0% or 2.8% of lodging at hotels with more than 60 units – transferred	Initiative 960 – requiring a two-thirds affirmative vote on tax increases – is temporarily repealed until 7/1/2011. New legislative task force established to review the process of measuring the benefits and effectiveness of tax preferences. Consolidation of annual "accountability" reporting requirements for tax preference participants; due date extended to end of April.

Year	Property	Vehicle Excise	Other Taxes in Lieu of Property Tax	Retail Sales and Use	Business and Occupation	Public Utility	Gasoline	Cigarette and Tobacco	Alcoholic Beverages	Inheritance and Gift	Insurance	Admission and Amusement	Other Taxes	TAX ADMINISTRATION & REPORTING
2011				Exemption for fuel used in state or county ferries. Tax extended to candy on permanent basis and to bottled water on temporary basis; however, both changes were repealed by initiative of the voters in November 2011. Exemption for machinery & equipment for research programs of public research universities, effective April 11, 2011. Exemption for meals provided without charge to employees of restaurants.	Exemption for property management companies is replaced by a deduction allowable only for nonprofit property management firms. New deduction for state funds received by nonprofit child welfare organizations.			Earmarking of the portion of the tax for education legacy account eliminated; all receipts go to general fund as of 7/1/2010.					New temporary tax of two cents per 12 ounces levied on canned & bottled carbonated beverages; however, this was repealed by initiative of the voters in November 2011. Administration of the Master Licensing System which provides licenses to all businesses transferred from DOL to DOR, effective July 1, 2011.	Initiative 1053 approved by the voters in November 2010 re-institutes 2/3 voting majority for legislative approval for new or increased taxes. Electronic filing and payment of state excise taxes mandated for all taxpayers (DOR may excuse annual reporters).
2012	ESHB 2502 changed to the designated forest land property tax program, which allows eligible forest land to be valued for property tax purposes based on its use for growing and harvesting timber instead of its highest and best use.							Retailers who provide consumers with access to a commercial roll-your-own (RYO) cigarette-making machines are placed on an equal tax footing with commercial cigarette manufacturers.	Initiative 1183 privatized the sale of spirits, approved by the voters in the November 2011 general election. The initiative made no substantive changes to the existing spirits sales and liter taxes imposed in RCW 82.08.150.	HB 2224 amended the Washington Uniform Estate Tax Apportionment Act to relieve smaller beneficiaries from having to pay a share of an estate's estate tax liability. The estate tax associated with the exonerated gifts is reapportioned among the beneficiaries receiving non-exonerated gifts.			SSB 5984 requires a financial feasibility review before a public facilities district (PFD) may form. Resulted from bond default of Wenatchee PFD.	