

REVENUE Impact of Senate WA Tax Structure Legislation (S-3145/19)

November 2018 Forecast

\$ in millions

| Description of Part | Effective Date | Total State General Fund Impact | | | | | |
|--|----------------|---------------------------------|-------------|------------------|--------------|-------------|------------------|
| | | FY 2020 | FY 2021 | 2019-21 Biennium | FY 2022 | FY 2023 | 2021-23 Biennium |
| Part I - Capital Gains Tax @ 8.9% | 1/1/2020 | \$0 | \$642 | \$642 | \$772 | \$791 | \$1,563 |
| Part II - Sales Tax Relief for Working Families @ 20% of EITC or \$50 | 1/1/2020 | \$0 | (\$202) | (\$202) | (\$215) | (\$225) | (\$440) |
| Part III - B&O Tax Relief for Small Businesses (\$81-\$250/month) | 7/1/2020 | \$0 | (\$227) | (\$227) | (\$258) | (\$269) | (\$527) |
| Part IV - Providing sales and use tax relief | 7/1/2020 | \$0 | (\$157) | (\$157) | (\$184) | (\$198) | (\$382) |
| A - Feminine hygiene products | | \$0 | (\$4) | (\$4) | (\$5) | (\$5) | (\$9) |
| B - Diapers | | \$0 | (\$27) | (\$27) | (\$31) | (\$32) | (\$64) |
| C - Durable medical and mobility enhancing equipment | | \$0 | (\$69) | (\$69) | (\$84) | (\$95) | (\$179) |
| D - Over-the-counter drugs | | \$0 | (\$57) | (\$57) | (\$64) | (\$66) | (\$130) |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Part V - Providing property tax relief to senior citizens, individuals with disabilities, and veterans | 3/1/2020 | \$0 | (\$7) | (\$7) | (\$13) | (\$13) | (\$25) |
| Part VI - Providing a pathway to modernize and rebalance the Washington state tax structure | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | | \$0 | \$49 | \$49 | \$103 | \$86 | \$189 |

Source: DOR, Research & Fiscal Analysis, April 5, 2019