PROPOSED STUDY QUESTIONS
Agricultural Crop Protection Products Tax Preference

State of Washington Joint Legislative Audit and Review Committee

September 2022

JLARC to review hazardous substance tax exemption for crop protection products

The preference exempts certain crop protection products –pesticides, herbicides, and fungicides – from hazardous substance tax (HST). To be exempted, these products must meet the following criteria:

- Only used as an agricultural crop protection product.
- Warehoused in Washington.
- Not otherwise used, manufactured, packaged for sale, or sold in Washington.

The Legislature’s stated policy objective is to incentivize the storage of agricultural crop protection products in Washington. JLARC is specifically directed to evaluate the amount of HST revenue collected from activities that are not exempt. The preference is scheduled to expire January 1, 2026.

This preference is included in the 10-year review schedule set by the Citizen Commission for Performance Measurement of Tax Preferences.

Hazardous substance tax funds pollution prevention and mitigation

The HST is a tax on the first possession in this state of petroleum products, pesticides, and certain chemicals determined by the Department of Ecology to present a threat to human health or the environment if released into the environment. HST revenue is used to clean up contaminated sites, to prevent and mitigate pollution, and for stormwater pollution control projects.

JLARC staff will address the following questions:

1. How many businesses claim the tax preference, how much crop protection product do they possess in the state, and how much hazardous substance tax do they pay?
2. How has total crop protection product storage and related HST revenue collection changed since the preference was enacted?
3. How does Washington's tax treatment of hazardous substances compare to neighboring states?

Per RCW 44.28.076, JLARC staff will determine whether there are racial equity considerations directly related to the study mandate and scope. We will update this document once that process is complete.

Study timeframe

Preliminary Report: July 2023
Proposed Final Report: December 2023

Study team

Team Lead: Pete van Moorsel (360) 786-5185  pete.vanmoorsel@leg.wa.gov
Research Analyst: Zack Freeman (360) 786-5179  zack.freeman@leg.wa.gov
Project Coordinator: Eric Thomas (360) 786-5182  eric.thomas@leg.wa.gov
Legislative Auditor: Keenan Konopaski (360) 786-5187  keenan.konopaski@leg.wa.gov