

# HB 2502



## REMOVE LOCAL SALES TAX FROM SALES TAX REBATE FOR RENEWABLE ENERGY PROJECTS

The promise of renewable energy projects to local communities is economic benefit. The reality is that depreciating personal property owned by energy companies is shifting the tax burden to local residents. Additionally, there are millions of dollars in lost local sales tax revenue due to state-established refunds. Together, these provisions in law are harming, not helping, local communities. State lawmakers may provide relief from state sales tax to incentivize these projects, but local communities need to decide for themselves the right balance of incentive and revenue.

**This proposal retains the state's ability to incentivize clean energy programs with a state sales tax refund, but allows local government discretion with regard to local sales tax refunds.**

Klickitat County recently refunded nearly \$1 Million in local sales tax revenue to a single project. This represented 27% of their annual budgeted sales tax revenue. From 2014-2019, Columbia County refunded 48% of sales tax collected. This is not just a small, rural county issue. As clean energy projects continue to grow statewide, more counties will be impacted without local discretion.

The Washington Association of County Officials (WACO) joins with the Washington State Association of County Treasurers (WSACT) in supporting this proposal.

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