



# Enhanced Food Fish



## 82.27.010(1) - Tuna, mackerel & jack

<b>Description</b>	Tuna, mackerel and jack fish are exempt from the enhanced food fish tax.															
<b>Purpose</b>	The enhanced food fish tax helps support continued production of game fish in the state. State fish hatchery programs do not raise tuna, mackerel and jack fish and these fish are exempt from the tax.															
<b>Taxpayer savings</b>	<b>(\$ in millions):</b> <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.562</td><td>\$0.562</td><td>\$0.562</td><td>\$0.562</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.562	\$0.562	\$0.562	\$0.562	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.562	\$0.562	\$0.562	\$0.562												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
<b>Repeal of exemption</b>	Repealing this exemption would increase revenues.															
<b>Potential revenue gains from full repeal</b>	<b>(\$ in millions):</b> <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$0.515</td><td>\$0.562</td><td>\$0.562</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$0.515	\$0.562	\$0.562	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$0.515	\$0.562	\$0.562												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
<b>Assumptions</b>	<ul style="list-style-type: none"><li>- The growth rate will be flat due to the erratic nature of fish tax collections</li><li>- The tax rate is the rate for Other Food Fish at 2.25% of taxable value</li><li>- The taxable value is the average of tuna and mackerel annual harvests for 2012, 2013, and 2014</li><li>- There are no jack fish harvests</li><li>- Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date</li></ul>															
<b>Data Sources</b>	Department of Fish and Wildlife fishery harvest data															
<b>Additional Information</b>	<table border="1"><thead><tr><th colspan="2">Additional Information</th></tr></thead><tbody><tr><td><b>Category:</b></td><td>Business</td></tr><tr><td><b>Year Enacted:</b></td><td>1995</td></tr><tr><td><b>Primary Beneficiaries:</b></td><td>Tuna, mackerel, and jack fish harvesters</td></tr><tr><td><b>Taxpayer Count:</b></td><td>200</td></tr><tr><td><b>Program Inconsistency:</b></td><td>None</td></tr><tr><td><b>JLARC Review:</b></td><td>JLARC completed an expedited review in 2013</td></tr></tbody></table>	Additional Information		<b>Category:</b>	Business	<b>Year Enacted:</b>	1995	<b>Primary Beneficiaries:</b>	Tuna, mackerel, and jack fish harvesters	<b>Taxpayer Count:</b>	200	<b>Program Inconsistency:</b>	None	<b>JLARC Review:</b>	JLARC completed an expedited review in 2013	
Additional Information																
<b>Category:</b>	Business															
<b>Year Enacted:</b>	1995															
<b>Primary Beneficiaries:</b>	Tuna, mackerel, and jack fish harvesters															
<b>Taxpayer Count:</b>	200															
<b>Program Inconsistency:</b>	None															
<b>JLARC Review:</b>	JLARC completed an expedited review in 2013															

## 82.27.020(2) - Deduction of one-half of fish tax

**Description** The enhanced food fish tax is due on the first commercial possession in Washington of qualified fish based upon fair market value. There is a deduction from the purchase price paid for fish subject to the enhanced food fish tax equal to one-half the tax rate based upon the purchase price paid by the purchaser.

**Purpose** To promote the commercial enhanced food fish industry in Washington.

**Taxpayer savings**

**(\$ in millions):**

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing this exemption would not increase revenues, but would increase the cost to consumers.

**Potential revenue gains from full repeal**

**(\$ in millions):**

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

This deduction does not reduce fish tax liability. It simply allows the purchaser to share one half of the liability with the person who caught the fish.

**Data Sources**

Not applicable

**Additional Information**

Additional Information	
<b>Category:</b>	Tax base
<b>Year Enacted:</b>	1980
<b>Primary Beneficiaries:</b>	Fish Tax Taxpayers
<b>Taxpayer Count:</b>	205
<b>Program Inconsistency:</b>	None
<b>JLARC Review:</b>	Not on JLARC review schedule

## 82.27.020(4) - Fish tax differential rates

**Description** The tax on enhanced food fish (including a 7 percent surtax) has different tax rates based on species as follows:

- Chinook, Coho and chum salmon and steelhead, 5.62 percent;
- Pink and sockeye salmon, 3.37 percent;
- Sea urchins, sea cucumbers, 2.247 percent;
- Oysters, 0.09 percent; and
- All other food fish and shellfish, 2.247 percent.

**Purpose** Reflects market conditions for various types of fish.

**Taxpayer savings** (*\$ in millions*):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$3.562	\$3.562	\$3.562	\$3.562
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing the preferential rates would increase revenues.

**Potential revenue gains from full repeal** (*\$ in millions*):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$3.265	\$3.562	\$3.562
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- This estimate increases all lower tax rates to 5.62 percent
- Taxable amounts remain constant each year
- Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date

**Data Sources** Department of Revenue taxpayer database

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1980
<b>Primary Beneficiaries:</b>	Certain Fish and Shellfish Harvesters
<b>Taxpayer Count:</b>	205
<b>Program Inconsistency:</b>	None
<b>JLARC Review:</b>	JLARC completed a full review in 2012

## 82.27.030(1,3) - Imported frozen or packaged fish

<b>Description</b>	Enhanced food fish tax exemptions are provided for:  (1) Enhanced food fish originating outside of Washington that enters the state either frozen or packaged for retail sale; and (2) Food fish, shellfish, anadromous game fish, and by-products or parts of food fish shipped from outside of the state into Washington.															
<b>Purpose</b>	To avoid taxing fish originally landed in another state or packaged and processed for retail sale outside the state.															
<b>Taxpayer savings</b>	<b>(\$ in millions):</b> <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$7.210</td><td>\$7.210</td><td>\$7.210</td><td>\$7.210</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$7.210	\$7.210	\$7.210	\$7.210	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$7.210	\$7.210	\$7.210	\$7.210												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
<b>Repeal of exemption</b>	Repealing this exemption would increase revenues. However, eliminating the exemption might trigger a Commerce Clause or Import-Export Clause challenge.															
<b>Potential revenue gains from full repeal</b>	<b>(\$ in millions):</b> <table border="1"><thead><tr><th></th><th>FY 2016</th><th>FY 2017</th><th>FY 2018</th><th>FY 2019</th></tr></thead><tbody><tr><td>State Taxes</td><td>\$0.000</td><td>\$6.609</td><td>\$7.210</td><td>\$7.210</td></tr><tr><td>Local Taxes</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td><td>\$0.000</td></tr></tbody></table>		FY 2016	FY 2017	FY 2018	FY 2019	State Taxes	\$0.000	\$6.609	\$7.210	\$7.210	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000
	FY 2016	FY 2017	FY 2018	FY 2019												
State Taxes	\$0.000	\$6.609	\$7.210	\$7.210												
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000												
<b>Assumptions</b>	<ul style="list-style-type: none"><li>- The growth rate will be flat due to the erratic nature of fish tax collections</li><li>- Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date</li></ul>															
<b>Data Sources</b>	<ul style="list-style-type: none"><li>- Department of Revenue excise tax data</li><li>- Washington IMPLAN data</li></ul>															
<b>Additional Information</b>	<table border="1"><thead><tr><th colspan="2">Additional Information</th></tr></thead><tbody><tr><td><b>Category:</b></td><td>Tax base</td></tr><tr><td><b>Year Enacted:</b></td><td>1980</td></tr><tr><td><b>Primary Beneficiaries:</b></td><td>Fish Processors/Wholesalers/Retailers</td></tr><tr><td><b>Taxpayer Count:</b></td><td>5,500</td></tr><tr><td><b>Program Inconsistency:</b></td><td>None</td></tr><tr><td><b>JLARC Review:</b></td><td>JLARC completed an expedited review in 2011</td></tr></tbody></table>	Additional Information		<b>Category:</b>	Tax base	<b>Year Enacted:</b>	1980	<b>Primary Beneficiaries:</b>	Fish Processors/Wholesalers/Retailers	<b>Taxpayer Count:</b>	5,500	<b>Program Inconsistency:</b>	None	<b>JLARC Review:</b>	JLARC completed an expedited review in 2011	
Additional Information																
<b>Category:</b>	Tax base															
<b>Year Enacted:</b>	1980															
<b>Primary Beneficiaries:</b>	Fish Processors/Wholesalers/Retailers															
<b>Taxpayer Count:</b>	5,500															
<b>Program Inconsistency:</b>	None															
<b>JLARC Review:</b>	JLARC completed an expedited review in 2011															

## 82.27.030(2) - Commercially grown fish & shellfish

**Description** There is an enhanced food fish tax exemption for food fish and shellfish raised from eggs and grown by agricultural methods.

**Purpose** To avoid taxing commercially produced fish and shellfish.

Taxpayer savings	<b>(\$ in millions):</b>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$6.109	\$6.109	\$6.109	\$6.109	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

**Repeal of exemption** Repealing this exemption would increase revenues.

Potential revenue gains from full repeal	<b>(\$ in millions):</b>				
	FY 2016	FY 2017	FY 2018	FY 2019	
State Taxes	\$0.000	\$5.600	\$6.109	\$6.109	
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000	

- Assumptions**
- The growth rate will be flat due to the erratic nature of fish tax collections
  - The percentage breakdown by species will mirror the taxpayer-reported amounts for fish tax in Fiscal Year 2014
  - Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date

- Data Sources**
- United States Department of Agriculture Aquaculture Sales Statistics
  - Department of Revenue excise tax data

Additional Information	
<b>Category:</b>	Tax base
<b>Year Enacted:</b>	1980
<b>Primary Beneficiaries:</b>	Fish Farms
<b>Taxpayer Count:</b>	122
<b>Program Inconsistency:</b>	None
<b>JLARC Review:</b>	JLARC completed a full review in 2015

## 82.27.040 - Taxes paid in other states

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**Description** There is an enhanced food fish tax credit for any fish tax previously paid on that same enhanced food fish to any other legally established taxing authority.

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**Purpose** To eliminate double taxation on the same fish.

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**Taxpayer savings**

**(\$ in millions):**

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.194	\$0.194	\$0.194	\$0.194
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

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**Repeal of exemption** Repealing this exemption would increase revenues.

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**Potential revenue gains from full repeal**

**(\$ in millions):**

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.178	\$0.194	\$0.194
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

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- Assumptions**
- Fish tax credit will stay constant each year
  - Eleven-month cash collection impact for Fiscal Year 2017 due to the July 1, 2016 effective date
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**Data Sources** Department of Revenue Fiscal Year 2014 credit data

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**Additional Information**

Category:	Tax base
Year Enacted:	1980
Primary Beneficiaries:	Fish Harvesters
Taxpayer Count:	205
Program Inconsistency:	None
JLARC Review:	JLARC completed an expedited review in 2011