

Public utility tax

What is the public utility tax?

It is a tax on public service businesses, including businesses that engage in transportation, communications, and the supply of energy, natural gas, and water. The tax is in lieu of the business and occupation (B&O) tax.

How do I pay the tax?

Public Utility Taxes are reported on an addendum to the Combined Excise Tax Return.

What rate do I pay?

There are different rates, depending on the specific utility activity:

Activity	Rate
Distribution of water	.05029
Generation/distribution of electrical power	.038734
Log transportation	.013696
Telegraph companies, distribution of natural gas, and collection of sewerage	.03852
Urban transportation and watercraft vessels under 65 feet in length	.00642
Railroads, railroad car companies, motor transportation and all other public service businesses	.01926

What are the funds used for?

The majority of the funds are distributed into the state general fund. A portion, however, provides financial assistance to local governments for maintenance of public works facilities.

More information

Tax Reference Manual (pdf)

Motor and Urban Transportation

References

RCW 82.16

WAC 458-20-179

WAC 458-20-180

WAC 458-20-251



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