

[HB 1856](#)- Proposal for Sales Tax Exemption for Commercial Car Wash Facilities in Washington State

Overview:

Per the EPA and DOE water quality is the single largest environmental issue facing Puget Sound. It is estimated seventy-five percent of all pollution entering Puget Sound originates as untreated runoff from residential neighborhoods; a common contributing source being pollutants from residential car washing that enters storm water systems. These pollutants include significant quantities of oil and grease, suspended solids, heavy metals and detergents, all commonly accepted as being harmful to living organisms, including fish.

Commercial car wash facilities are highly regulated and are required to treat all water for pollutants before it is returned to our waterways. Costs for compliance continue to escalate because of increased environmental standards and rising utility costs, including access to water treatment facilities, among others. There is very little incentive to change behavior and encourage the use of commercial car wash facilities as most local governments do not enforce DOE mandated ordinances specifically prohibiting the types of discharges associated with residential car washing. Incentivizing the use of commercial car washes through education, enforcement and a sales tax exemption to keep costs affordable will contribute substantially to the health of our water systems at very little cost compared to other resources directed towards clean water in Washington state.

Why a Sales Tax Exemption?

- The Legislature has a long history of granting sales tax exemptions to a variety of services and products so long as those exemptions achieve a meaningful purpose.
- Both the EPA and DOE recommend that citizens utilize commercial car wash facilities to reduce substantial pollutants into the state's waterways.
- 29 of 45 states that impose a sales tax provide exemptions for commercial car wash facilities.
- Most cities in Washington, particularly in the Puget Sound region, acknowledge that home car washing contributes a substantial amount of pollutants to the state's waterways but do little to enforce prohibited discharges.
- Higher clean water standards as well as increased costs for permitting, labor, utilities and access to treatment facilities all create barriers to entry for new and ongoing operations of commercial car wash facilities.

Conclusion

Studies from all levels of federal, state and local governments have all concluded that metals, detritus and detergents from residential car washing is a threat not only to Puget Sound but to all waters in North America. DOE stormwater permits require that cities and counties adopt ordinances that prohibit the discharge of specific pollutants down storm drain systems. These include most pollutants in runoff from residential car washing.

The Department of Revenue has issued a [fiscal note](#) to HB 1856 showing that the cost for the biennium would be \$1.046 million in 2018 and \$1.335 million in 2019. This is a very small sum when compared to the totality of resources the state spends on clean water programs. A sales tax exemption will go a long way to reduce the amount of pollutants discharged into the state's waterways by ensuring the economic health of the commercial car wash industry and incentivizing use of commercial car wash facilities at very little cost to taxpayers.