

Timber & Wood Products

JULY 2016

Inferred Objectives	Results
Reduce cost of doing business	Achieved
Retain good paying rural jobs	Unclear
Help the timber industry compete	Unclear

Businesses paid lower tax rate and saved \$13.6M (FY 2015)

0.4840%
(Standard Rate)

0.3424%
(Lower Rate, Including forest & fish surcharge)

Timber industry jobs declined but less in rural areas (2006 to 2014)

Urban Job Loss: -40%

Rural Job Loss: -24%

In rural counties, remaining timber industry jobs pay 57% more than average jobs

Source: Data from ESD, 2006-14

Productivity per worker grew (2006 to 2013)

Wood products manufacturing: 78%

Paper products manufacturing: 1%

Forestry/Logging: 30%

Wood and paper products measured as GDP per job; forestry/logging measured as board feet per job.

Sources: DNR harvest reports, ESD data, BLS data, 2006-13

Change in WA competitive position unclear

WA's rank for share of industry jobs fell compared to other states

Industry	WA State Rank	
	2006	2015
Wood Product Manuf.	13th	16th
Paper Product Manuf.	17th	21st
Forestry/Logging	8th	9th

Source: U.S. BLS, QCEW data, 2006-15

From 2006-13, business output grew for one industry and declined for another

Industry and Output	Change in Output	
	WA	Nation
Wood Product Manuf. GDP	+16%	-12%
Paper Product Manuf. GDP	-31%	-28%
Forestry/Logging Harvest	<i>no comparable data</i>	

Source: U.S. BLS, QCEW data, 2006-13

RECOMMENDATION: The Legislature should review and clarify its objectives and employment goals. The preference has reduced the cost of doing business, but other results are unclear.

For more information, contact:

Keenan Konopaski, Washington State Legislative Auditor • (360) 786-5187 • keenan.konopaski@leg.wa.gov

The complete report is at citizentaxpref.wa.gov.