



# 2025 tax preference review: Agricultural Crop Protection Products

## Legislative Auditor's conclusion

Total hazardous substance tax revenue increased as intended. However, other performance metrics would more accurately reflect the preference's effect and inform the Legislature.

### Key points

- The preference is for businesses that store agricultural crop protection products (pesticides) that are later sold out of state.
- Eight distinct businesses claimed the preference, saving a combined average of \$168,000 per fiscal year (2020 through 2024). This is similar to the 2023 review.
- The preference improves industry competitiveness by offering tax relief. This finding is unchanged from JLARC's 2023 review.
- The statutory performance metric is to increase statewide hazardous substance tax (HST) revenue.
- The metric is not useful for evaluating the preference because beneficiaries contribute just 0.2% of total HST revenue.

### Tax detail

**Tax type:**

Hazardous substance

**Beneficiary savings:**

\$655,000 (2025-27 biennium)

**Expiration date:**

January 2028

**RCW:**

Chapter 82.21 RCW,  
sections 010 through 050

Read the full report: [leg.wa.gov/jlarc/audits](https://leg.wa.gov/jlarc/audits)

## Recommendations to the Legislature

1. The Legislature should extend the preference's January 1, 2028 expiration date.
2. The Legislature should either consider new metrics to evaluate the preference or recategorize the preference as one intended to provide tax relief.

Alternative metrics could include:

- The amount of agricultural pesticides stored in Washington.
- The number of beneficiaries and/or beneficiary savings.
- Value-based HST paid by beneficiaries.
- Statewide value-based HST revenue.

## Contact us

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