



PROPOSED STUDY QUESTIONS

2024 Tax Preference Review: Aluminum

Eight tax preferences benefit aluminum smelters and related businesses

Eric Whitaker | Geoff Cunningham

September 2023



Review will encompass eight tax preferences

4

preferences available to aluminum smelters.

2

preferences available to entities that sell power to smelters.

2

preferences available for aluminum manufacturing activities.

Four preferences available to aluminum smelters

Preferences provide:

- Reduced B&O tax rate and two credits
- Brokered natural gas use tax exemption

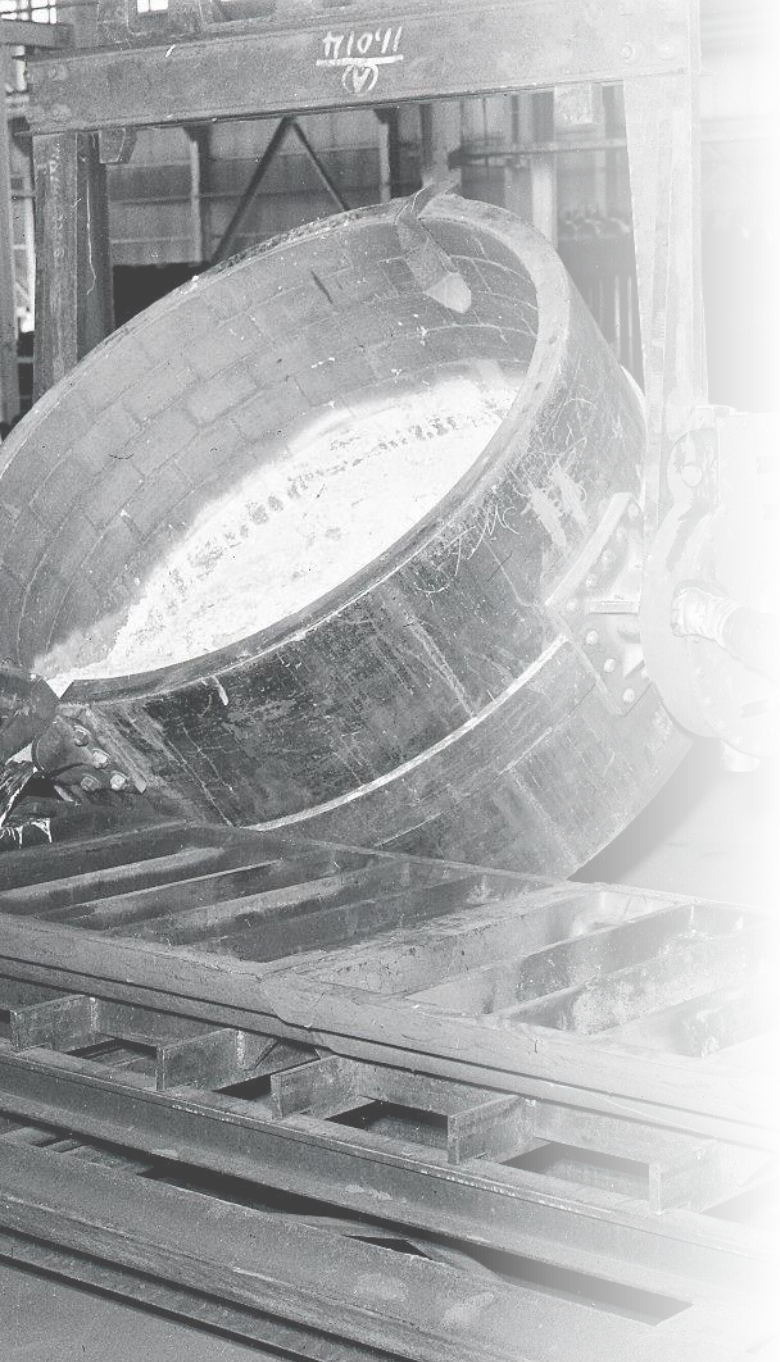
Objective:

- Preserve aluminum manufacturing jobs in Washington

Expiration:

- January 1, 2027





Two preferences available to entities that sell power to smelters

Preferences provide:

- B&O credit
- Public utility tax credit

Objective: None stated

Expiration: None

Two preferences for aluminum manufacturing activities

Preferences provide:

- Sales & use tax exemption
- B&O tax exclusion

Objective: None stated

Expiration: None



No aluminum smelters currently operate in Washington

2015 JLARC Review:

- Legislative Auditor recommended the Legislature review and clarify the preferences.

Last two smelters in WA have closed

- Many activities eligible for preferences no longer take place.

Statute requires JLARC to review all preferences every 10 years.



Study Questions

1. To what extent have the preferences been used since JLARC's 2015 review? How much have beneficiaries saved?
2. How has employment in Washington's aluminum manufacturing industry changed?
 - What are the racial and ethnic characteristics of those that benefit from the preferences and their employees?
3. What local, national, and international factors may have contributed to changes in Washington's aluminum manufacturing industry?

Next Steps

Preliminary Report

July 2024

Proposed Final Report

December 2024



Contact Us

Research Analysts

Eric Whitaker
360.786.5618
eric.whitaker@leg.wa.gov

Geoff Cunningham
360.786.5672
geoff.cunningham@leg.wa.gov

Project Coordinator

Stephanie Hoffman
360.786.5297
stephanie.hoffman@leg.wa.gov

Legislative Auditor

Eric Thomas
360.786.5182
eric.thomas@leg.wa.gov

