



2024 Tax Preference Reviews: **Four follow ups and one new review**

Pete van Moorsel and Eric Whitaker



October 2023

Four follow up reviews cover multiple industries

Aerospace
(9 preferences)

**Customized
Workforce Training**
(1 preference)

Aluminum
(8 preferences)

**Precious Metals &
Bullion**
(2 preferences)

Follow up reviews will focus on:

1. Legislative changes since last review.
2. Changes in preference use.
 - When appropriate, the racial and ethnic characteristics of beneficiaries and their employees.
3. Industry changes that may impact the inferred or stated objective.
4. Whether Legislative Auditor's prior recommendation is applicable to current circumstances.

New review: PUT credit for home energy assistance

Who can claim it?

Electric and gas utilities

What can utilities claim?

50% of energy assistance through:

- Billing discounts to low-income customers.
- Contributions to organizations that provide energy assistance.



DOR allocates credits to utilities

- Credit capped at \$2.5 million per year.
- Allocation based on prior-year federal Low Income Home Energy Assistance Program (LIHEAP) grants to utilities.
- Utilities must apply for the credit.

Objective: Encourage additional home energy assistance from utilities

- Assistance is in addition to amounts offered through LIHEAP.
- Intent is to reduce the energy burden of low-income households.

Energy burden

The percentage of gross income a household spends on residential energy bills.

Review will address

1. Amount of additional energy assistance utilities provide.
2. How the amount of additional assistance compares to the energy burden of low-income utility customers.
3. The racial and ethnic characteristics of the households receiving assistance.
4. The extent of overlap between this additional assistance and the distribution of LIHEAP funds.

Next Steps

Preliminary Report

July 2024

Citizen Commission Process

August-October 2024

Proposed Final Report

December 2024



Contact Us

Research Analysts

Pete van Moorsel

360.786.5185

pete.vanmoorsel@leg.wa.gov

Eric Whitaker

360.786.5618

eric.whitaker@leg.wa.gov

Geoff Cunningham

360.786.5672

geoffrey.cunningham@leg.wa.gov

Dana Lynn

360.786.5177

dana.lynn@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