

Thursday, February 25, 2010

## **Tripling tax on refineries would hurt much more than help**

We'll add our voice to those questioning why tripling the state's Hazardous Substance tax and socking it to refineries here and jeopardizing jobs is a good idea.

Unfortunately, the plan has some traction in Olympia, and the tax increase is now in front of the Legislature, which is starved for cash and looking for easy bailouts due to its inability to rein in spending whether times are good or bad.

Supporters of House Bill 3181/Senate Bill 6851 see it as a win-win situation. But there's a lot more to the picture than the benefits they're touting.

The tax increase would raise an estimated \$225 million the first year.

The money is supposed to fund clean water, but hey, we're in an emergency (again), and about 80 percent of the money would go into the general fund the first year.

Follow the money. The state would raise a pollution tax and use the money primarily to reduce the deficit for several years.

Advocates say this is good: Cuts to core social services can be avoided today, and down the road there will be cleaner water.

What's missing is the realization that tripling the tax makes the refineries, economic mainstays of Northwest Washington communities, less competitive and puts jobs at risk.

Approximately 40 percent of the Shell and Tesoro refineries' sales are out of state, so good luck trying to pass the costs on to customers outside of Washington as they compete in a global market.

This is a lousy idea. Politically expedient perhaps — tax big oil, please the environmental community and put the pain outside the Seattle core — but if the Legislature is even remotely concerned about preserving jobs and healthy communities it should kill these bills.