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Why you should oppose a hazardous substance tax increase

By Don Sorensen

Legislators are now in special session and there's lots of talk in Olympia about jobs. At the same time, the governor, Senate majority leader and speaker of the House all have joined the environmental community as proponents of increasing the hazardous substance tax (HST) in Washington.

We all want clean water, and our state undoubtedly faces challenges in cleaning up its waters. But should the vast majority of this societal burden fall on refinery workers and their families? Is now the time to force Washington consumers to pay higher prices, not just for fuel, but for many of the other products they buy?

The current proposals (HB 3181/SB 6851) on the table in Olympia call for doubling or tripling the HST. What would that mean for consumers and businesses?

First, increasing the tax will increase the price Washington consumers pay for gas and diesel at the pump. This will hit low-income families, already struggling with the recession, extra hard. These increases will also hit many other businesses, from truckers to farmers to retailers. Everyone's costs will go up and those higher prices will be paid by Washington families.

Second, increasing the tax puts good, family-wage jobs at risk. Proponents are touting the new jobs that could be created by the tax. During legislative testimony, a Northwest Building Trades Association representative claimed that 1,100 new jobs could be created by stormwater projects funded by a major increase in the HST.

But they conveniently fail to talk about the existing good jobs threatened by this major tax increase. The Tesoro Anacortes refinery that I manage is a prime example. These are tough times for the refining industry and our continued viability would be put at risk by this massive tax increase.

We directly employ 360 full-time workers and typically have more than 150 full-time contractors in our plant every day. These workers earn a very good wage and, in turn, are major contributors to the economic health of Anacortes and Skagit County.

Last year, the Washington Research Council released an independent study showing that Washington's five oil refineries have a significant positive impact on our state economy. In fact, they calculated that our industry has a jobs multiplier effect of 10:1, meaning that each refinery job helps generate a total of 10 jobs throughout the economy.

Proponents of HB 3181/SB 6851 are willing to put 3,600 jobs associated with Tesoro's Anacortes refinery operations at risk — all in hopes of gaining 1,100 new stormwater clean-up jobs scattered across the state. As a pragmatic person, I subscribe to the "bird in the hand is worth two in the bush" philosophy. This math doesn't work for me, and it shouldn't work for any Washington taxpayer.

The governor has declared stormwater clean-up to be one of her top legislative priorities. But actions she and the Legislature have taken in the past year do not support that claim. Last year \$180 million was diverted from HST accounts to help balance the general fund. The existing tax produces plenty of money that could have — and should have — been used to fund stormwater cleanup projects.

If the governor and legislators are serious about protecting both water quality and jobs, they would drop these bills and instead use the existing HST the way it was intended.

Don Sorensen is the Tesoro Anacortes refinery manager.