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Stick to the truth if taxes must rise

By The World Editorial Board

The Legislature is set on raising taxes and proposals are pouring forth from House, Senate and governor. If we must be taxed to cover the state's spending gap, we who will pay should at least insist on a modicum of honesty. Don't pretend the tax is for something it's not. Don't use the worn-out cover that someone else will pay.

Unfortunately, one of the fastest-moving tax proposals in Olympia, to triple the Hazardous Substance Tax, fails on both counts. The proposal, subject of a hearing Friday before the House Finance Committee, will raise the tax on "hazardous substances" like petroleum and pesticides from 0.7 to 2 percent of wholesale value. It will extract about \$215 million in new revenue before the end of next year. It's the tax started under Model Toxics Control Act, approved by voters in 1988 to clean up polluted sites.

The given reason for the large tax increase is to pay for stormwater control and cleaning up Puget Sound — "funding the cleanup of water pollution and other programs necessary for the health and well-being of Washington citizens," the bill analysis says. In truth, 69 percent of the tax will go not to antipollution accounts but straight into the state general fund, where it will help cover the \$2.7 billion deficit. The tax burden falls nearly in full on the state's oil refineries, but the price will not be borne by fat oil companies. It will surely be passed on to consumers in some way. Estimates of the impact run as high as 3 cents per gallon for gasoline. No word on diesel, pesticides or fertilizer, but there will be an effect.

A quarter of the tax will go to the pollution cleanup accounts, only because those were drained of \$180 million last year as the Legislature grabbed money to cover general fund deficits. Another \$80 million is targeted this year.

So the Legislature will raise a pernicious and economically destructive stealth gasoline tax to refill a dedicated account it emptied to cover a general fund deficit. But only a quarter of the tripled tax goes to replenish the pollution-fighting funds. The real purpose is to cover overspending. This is not forthright tax policy. It will erode public trust.

This is the opinion of The Wenatchee World and its Editorial Board: Editor and Publisher Rufus Woods and Editorial Page Editor Tracy Warner.