

# FINAL BILL REPORT

## SB 6244

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Synopsis as Enacted

**Brief Description:** Extending an existing hazardous substance tax exemption for certain agricultural crop protection products that are temporarily warehoused but not otherwise used, manufactured, packaged, or sold in the state of Washington.

**Sponsors:** Senators Torres and Dozier.

**Senate Committee on Ways & Means**  
**House Committee on Finance**

**Background:** Hazardous Substance Tax. The hazardous substance tax (HST) is a tax on the first possession of hazardous substances in Washington. The HST applies to petroleum products, certain pesticides, and certain chemicals. The tax is generally imposed on a per-barrel basis. For fiscal year 2026, the tax rate on petroleum products is \$1.48 per barrel. Non-petroleum products are subject to a rate of 0.7 percent multiplied by the wholesale value of the products. Any subsequent possession of a product is exempt from HST after a Washington possessor has paid the tax.

Hazardous Substance Tax Exemption for Agricultural Crop Protection Products. The 2015 Legislature enacted an exemption for agricultural crop protection products (pesticides) from HST. Eligible pesticides are:

- chemicals used to prevent or control diseases, weeds, or other pests;
- either warehoused in Washington or transported to or from Washington; and
- not manufactured, packaged, sold, or used in Washington.

The 2024 Legislature extended the expiration date of the exemption to January 1, 2028.

Tax Preference Performance Statement. State law provides a range of tax preferences that confer reduced tax liability upon a designated class of taxpayer. Tax preferences include tax exclusions, deductions, exemptions, preferential tax rates, deferrals, and credits. Legislation that establishes or expands a tax preference must include a tax preference performance statement (TPPS) that identifies the public policy objective of the preference, as well as

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specific metrics that the Joint Legislative Audit and Review Committee (JLARC) can use to evaluate the effectiveness of the preference. All new tax preferences automatically expire after ten years unless an alternative expiration date is provided or the tax preference is exempted from expiration.

In its 2025 review, JLARC found that the preferences provided improve industry competitiveness by providing tax relief to Washington businesses that store or transport pesticides sold out of state. JLARC recommended that the Legislature extend the preference and to either consider new metrics to evaluate the preference or recategorize the preference as one intended to provide tax relief.

**Summary:** The HST exemption for pesticides sold out of state is extended until January 1, 2038. The TPPS, including the metrics for the JLARC review, from the 2015 legislation is also extended.

**Votes on Final Passage:**

**Senate** 48 1

**House** 79 18

**Effective:** June 11, 2026