



Washington State Chapter

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Lawmakers Should Examine Why The Shellfish Industry Generates Limited Tax Revenues That Do Not Offset Considerable State Expenditures and Privatization of Public Waters

With budget deficits being seen in every county and state agency in Washington, legitimate sources of revenues should be examined for all activities. For decades, the shellfish industry has been demanding considerable state resources from The Puget Sound Partnership, The Department of Ecology, Department of Health, Department of Natural Resources, Shellfish Protection Districts and County Staff. Large scale growers are benefiting from these significant expenditures on their behalf with little financial cost sharing or benefit to Washington citizens for the use of public resources.

Shellfish Industry Pays Few Taxes

- 1. Sales Tax--**No sales tax on shellfish exported out of state or out of country. The majority of clams, oysters and mussels are exported and over 90% of geoduck is exported resulting in minimal taxes paid within Washington.
- 2. Export Tax--**No export tax
- 3. Excise Tax--**No enhanced shellfish tax (excise tax) on shellfish grown from seed by the shellfish grower. The majority of shellfish are grown by this method.
- 4. Business and Occupational Tax--**No Business and Occupational Tax on unprocessed shellfish which are exported.
- 5. Property Tax--**

Tidelands with commercial shellfish farms should be appraised as agricultural land as, defined in statute (RCW 84.34.065) and rule (WAC 458-30-260). This action would increase tax revenues for state and local government programs which are currently under funded.

Just two examples from the many parcels that generate minimal tax revenues:

1. Mason County parcel 22020-41-80550. A 5 acre oyster parcel with a large geoduck farm appraised at \$1,215—taxes are \$15 per year.
2. Thurston County parcel number 93015300000. A 10 acre oyster tract with a large geoduck farm appraised at \$18,000—taxes are \$217 per year.

2007 Pierce County Taylor Shellfish Testimony—"There's probably 1.3 million pounds on the Foss (geoduck) farm, and estimated value between \$15 and \$ 20 million."10 acres-5 yr cycle

6. Shellfish Protection Districts and Extensive Use of State Agency and County Staff

Taxpayers are subsidizing these operations as few permit fees and expenses are paid by the shellfish industry for services and promotion provided on their behalf that generate huge amounts of revenue for large scale shellfish growers.

