WASHINGTON BUSINESS TAX & PREMIUM DATABASE -TAX AND PREMIUM STATISTICS

Office of Financial Management Employment Security Department Department of Labor & Industries Department of Revenue

Questions the Database Can Answer

- What is the government cost of firms doing business in Washington State?
- How has the government cost changed over time?
 How do these costs relate to other costs of doing business?
 - Wages
 - Health care insurance
 - How do costs compare among different types of firms and different industries?
 - i Size
 - Major Industry groups
 - i High Tech industries
 - i Out-of-state exports

Questions that Can be Answered After Future Database Expansions

- Which types of firms create the most jobs?
- What is the average survival rate for different types of businesses?
- How do government costs of doing business compare to other costs of doing business ?
 - i Cost of sales
 - i Plant and equipment costs
 - Utility costs

Elements in the database One record per firm

DOR Records	ESD Records	L&I Records	OFM Imputations
•UBI	•UBI	•UBI	•Sales tax paid by firm
•NAICS (non- employers)	•NAICS		•Health
•Taxes Paid	•Premiums paid	•Premiums paid	Insurance offer status
ØUse Tax ØB&O	•Wages		and costs
Ø Public Utility	•Employees		

•Gross income

Tax

What's Out? Individual Employee Records

Other elements added to the database

- **ø** Estimated sales taxes paid by firm
- **ø Property taxes paid (actual for 7 counties, allocated for others)**
- ø Estimates of self-insured workers compensation costs

NOTES ON THE CHARTS

- 1. Rates = <u>Taxes & Premiums</u> Gross Income
- 2. Rates are weighted by gross income.
- 3. Matches only (no sole proprietors)
- 4. Average rate is for all firms in the database

Notes on L&I Data

- L&I premium amounts for the tax year are prior to retrospective rating premium adjustments. **Retrospective Rating** (Retro) is an optional financial incentive program offered by L&I to help qualifying employers reduce their industrial insurance costs. Employers may receive premium refunds or they may be assessed additional premium based on their performance.
- The net value of retrospective rating refunds is \$102,898,364 in calendar year 2009.
- In some cases the group administration will retain some of these refunds:
 - i To pay for administration expenses of the group program plus profit
 - To build up a financial cushion used to pay off future unexpected additional premiums owed the department
 - In some cases the employer signs up for the program individually and does pocket all of the refund, net of additional assessments.

OUT-OF-STATE EXPORT FIRMS ORDERED BY EXPORT VOLUME 2009 Exports defined by out-of-state deduction/GBI





NEW FIRMS ORDERED BY SIZE, 2009



	ALL	FIRMS B	Y INDUS	TRY SE	CTOR.	2009	
5.00					.eren,		
4.50							
4.00	_ ES 1.02						
3.50					All Firms erage Rate		
3.00					1.70%		
2.50	L&I 1.84				↓	ES 0.21 L&I 0.20	ES 0.26
2.00		ES 0.44		ES 0.15			L&I 0.42
1.50	B&O/PUT 0.60	L&I 0.84		L&I 0.50		B&O/PUT 1.13	B&O/PUT 1.08
1.00	- Sales & Use	B&O/PUT 0.49	ES 0.13	B&O/PUT 0.82	0.09 0.17		
0.50		Sales & Use 0.55	L&I 0.30 B&O/PUT 0.28	Sales & Use	0.45	Sales & Use 0.81	Sales & Use 0.80
0.00	0.17	0.12	0.17	0.37	0.19	0.22	0.15
	Ag/For/Mir	n Construction	Manuf. Tr	ran/Comm/Util	Trade	Fin/Ins/RE	Services

% of GBI

HIGH TECH FIRMS BY INDUSTRY, 2009,								
Rate	(%) as % of GBI							
4.00 -								
3.50 -								
3.00 -			■ ES					
2.50 -			L&I					0.31
			B& C)/PUT		0.37	0.16 0.19	0.22
2.00 -	Sales & Use				0.09	0.19		
1.50 -			Prop	perty Tax		1.15	1.46	1.15
1.00 -	0.11	0.26					1.40	
	0.11 0.18 0.42	0.14 0.38	0.08	0.17 0.08	0.11 0.15			0.85
0.50 -		0.47	0.31	0.38	0.50	0.73	0.47	0.85
0.00 -	0.29 0.05	0.07	0.12 0.13 0.03	0.18	0.15	0.13	0.08	0.12
	Chem. Manuf.	Computer and T Elec. Component Manuf.	Гrans. Equip. Manuf.	Instruments Manuf.	Wholesale: Comp, Med, Equip, Electronics	Computer Programming	Medical Labs	Engineering Services & Research Services

History of Tax Impacts, All Taxpayers with Employees, as % of GBI

