

The fifth Mitigation payment has been calculated

Background

The Mitigation program was created by Substitute Senate Bill 5089, which passed in 2007. It made the following changes:

- Effective July 1, 2008, businesses in Washington State must report retail sales to the location where a customer receives a good (destination-based sourcing), rather than to the location from where the good was shipped (origin-based sourcing).
 - Local sales taxing jurisdictions harmed by this change are compensated for their losses in sales tax revenues using funds from the state's general fund. This is referred to as "Mitigation."
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Payment history

The fifth Mitigation payment is about to be released. It compares to the previous payments as follows:

#	Payment Size	Number of Receiving Jurisdictions	Payment Date
5	\$6,405,124.52	65	December 31, 2009
4	\$6,972,136.03	79	September 30, 2009
3	\$6,510,628.28	77	June 30, 2009
2	\$6,861,660.24	86	March 31, 2009
1	\$7,977,760.65	76	December 31, 2008

You can find a list of jurisdictions which have received payments at:
<http://www.dor.wa.gov/Content/AboutUs/StatisticsAndReports/Mitigation/Default.aspx>

Payment threshold

The Department, at the advice of the Mitigation Advisory Committee, implements a \$25 threshold on Mitigation payments. Any jurisdiction with a net loss less than \$25 will not receive a payment. No jurisdictions fell into this category this quarter.

Adjusting past payments

The December 31, 2009, Mitigation payment does not include amounts related to retroactive adjustments to past payments. Unless the Legislature acts, the Department of Revenue does not plan to make any adjustments to past payments as agreed to last year by the Mitigation Advisory Committee.

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**The next
payment**

The sixth Mitigation payment will be made on March 31, 2010.

**Additional
information
about
Mitigation**

For additional information about Mitigation for local governments, jurisdictions that were positively impacted by the change to destination-based sales tax, and the impacts to Regional Centers, please click on the following link:

<http://www.dor.wa.gov/Content/AboutUs/StatisticsAndReports/Mitigation/Default.aspx>
