



The Honorable Jay Inslee
 Governor of the State of Washington
 404 Legislative Building
 PO Box 40002
 Olympia, WA 98504-0002

RE: Support for retaining full Streamlined Sales Tax Mitigation in 2015-17 Operating Budget

Dear Governor Inslee:

We at Chambers of Commerce, Trucking Organizations, and Public Ports would like to go on record in strong support of maintaining the full SST mitigation program in the 2015-17 Operating Budget.

We believe the SST program is vital for a number of manufacturing, distribution, and warehousing-based communities that suffered significant negative revenue impacts several years ago when lawmakers passed a bill authorizing the State of Washington to join the Streamlined Sales Tax (SST) compact of states. The SST legislation involved a major and fundamental change to the way local sales taxes are 'sourced' – switching the credit for local sales taxes from "point of origin" to "point of final delivery."

For several dozen cities, counties, and transit agencies – particularly those in areas that host major industrial and warehousing complexes – the change in sales tax sourcing had major repercussions that hit their budgets hard. To help these communities, the Legislature made a commitment to a "full mitigation" SST program, with mitigation monies to assist these jurisdictions until new "voluntary compliance" revenues and ultimately new internet sales tax revenues could meet or exceed their losses.

We believe the SST program is critical because, for cities that host significant industrial and warehousing facilities, the infrastructure demands to serve these areas are great and the revenues coming in to offset the infrastructure costs have dwindled severely. We believe the SST mitigation program thus becomes a critical tool for preserving the land-use and industrial character of areas such as the Green River Valley, where businesses comprise the 2nd-largest warehouse distribution complex on the West Coast, contributing a combined \$2.8 billion in annual payroll and accounting for 1/8th of the entire Gross Domestic Product (GDP) of our state.

But those who receive SST mitigation are not just from the Green River Valley; they are from industrial, manufacturing, and distribution-center based jurisdictions all over the state. They include cities large and small, the largest county and transit system in the state, jurisdictions east and west, north and south.

For these reasons, we again want to convey our strong support for the SST full-mitigation program and hope you will take steps to ensure it remains intact. Again, we believe these mitigation dollars are vital in order to ensure that the municipalities who suffered severe fiscal impacts protect the industrial and warehouse businesses and properties within their jurisdiction.

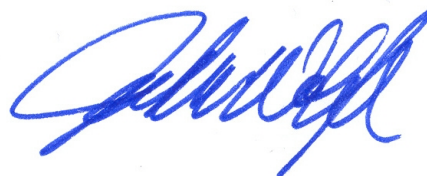
Sincerely,



Ted J. Flick
Chief Executive Officer
Port of Seattle



Larry Pursley
Executive Vice President
Washington Trucking Associations



John Wolfe
Chief Executive Officer
Port of Tacoma



Lora Butterfield
President/CEO
Fife Milton Edgewood Chamber of Commerce



Gary A. Vis

Executive Director

Lynden Chamber of Commerce



Andrea Keikkala

Executive Director

Kent Chamber of Commerce



Shelly Schlumpf

President/CEO

Puyallup Sumner Chamber of Commerce



Steve Stevens

President/CEO

Greater Spokane Incorporated



Troy McClelland, MBA, PE

President and CEO

Economic Alliance of Snohomish County



Katherine Morgan

President and CEO

Greater Spokane Valley Chamber of Commerce