

Retail Impacts: Everyone Everywhere Everyday

Greater Grays Harbor Inc.
June 7, 2019



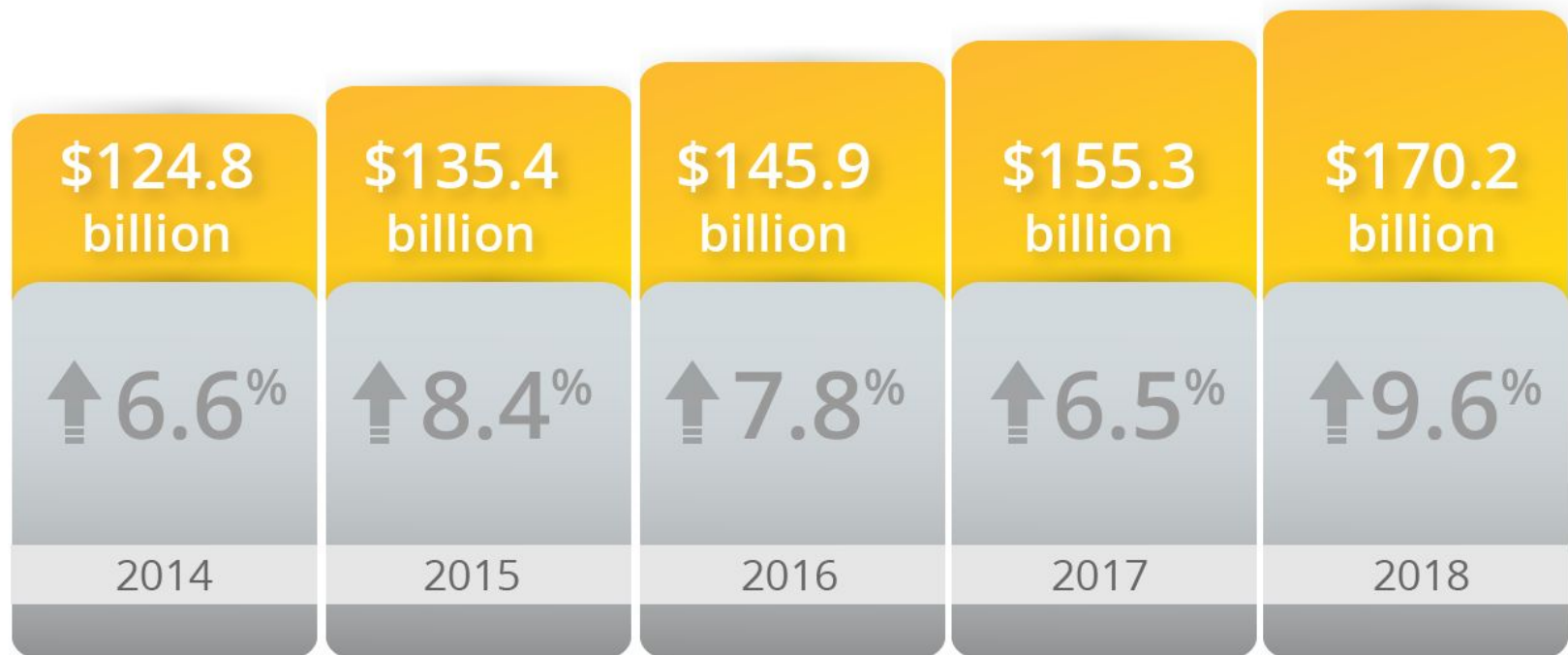
Retail is a Big Deal

- ❑ Nation's largest private sector employer
- ❑ Supports one in every four jobs
- ❑ Employs \$42 million
- ❑ Contributes \$2.6 trillion to annual GDP



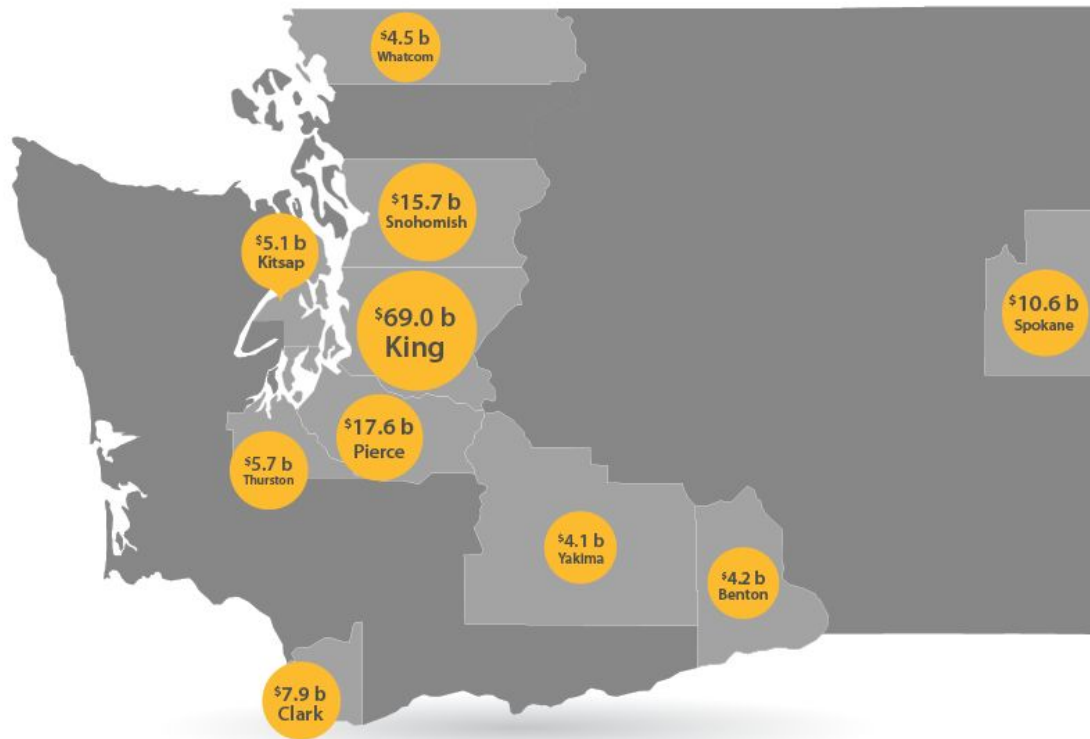
Washington State Retail

Statewide snapshot of taxable retail sales 2014 - 2018



Washington State Retail

Highest taxable retail sales: top 10 counties January - December 2018



Grays Harbor County

COUNTY	COUNTY NAME	ALL TAXABLE RETAIL SALES			TRS FOR RETAILING INDUSTRY (NAICS 44 & 45)		
		CAL-2017	CAL-2018	PERC CHANGE	CAL-2017	CAL-2018	PERC CHANGE
01	ADAMS	\$293,878,821	\$326,108,536	10.97%	\$103,127,827	\$114,945,249	11.46%
02	ASOTIN	\$312,991,998	\$337,456,294	7.82%	\$188,792,586	\$196,611,778	4.14%
03	BENTON	\$3,905,643,498	\$4,166,740,559	6.69%	\$1,983,072,039	\$2,111,186,338	6.46%
04	CHELAN	\$2,025,062,380	\$2,159,601,649	6.64%	\$765,621,231	\$806,403,417	5.33%
05	CLALLAM	\$1,219,057,427	\$1,322,743,578	8.51%	\$608,134,293	\$653,782,680	7.51%
06	CLARK	\$7,198,126,484	\$7,914,504,312	9.95%	\$3,152,771,698	\$3,373,571,690	7.00%
07	COLUMBIA	\$68,008,164	\$101,797,088	49.68%	\$15,277,210	\$17,296,201	13.22%
08	COWLITZ	\$1,725,568,353	\$1,876,119,985	8.73%	\$893,085,071	\$952,488,758	6.65%
09	DOUGLAS	\$922,721,905	\$1,011,121,197	9.58%	\$424,481,077	\$445,121,976	4.86%
10	FERRY	\$50,242,895	\$60,817,571	21.05%	\$22,895,614	\$25,547,290	11.58%
11	FRANKLIN	\$1,534,638,802	\$1,655,850,035	7.90%	\$759,635,372	\$832,919,358	9.65%
12	GARFIELD	\$32,314,866	\$32,390,472	0.23%	\$7,290,129	\$7,736,499	6.12%
13	GRANT	\$1,877,193,497	\$2,489,444,199	32.62%	\$710,599,672	\$848,876,029	19.46%
14	GRAYS HARBOR	\$1,044,286,441	\$1,145,818,471	9.72%	\$466,180,284	\$508,144,124	9.00%
15	ISLAND	\$1,129,101,003	\$1,239,790,175	9.80%	\$412,510,281	\$455,616,480	10.45%



Washington State Retail



\$170.2 B
TAXABLE SALES

\$19.8 B
WAGES

400,000
JOBS



Washington State Retail



75,000
ESTABLISHMENTS

51%
OPERATING FUND



Washington Grown Retailers



98% of retail is small business

Retail Apocalypse



What Happened?

- Over expansion
- Bankruptcy of leveraged buyouts
- Great recession fallout
- Changing consumer buying habits
- Rise of e-commerce



Retail Renaissance



Retail Renaissance

- Low unemployment
- Strong consumer confidence
- Investment in stores, brands and employees
- Consumer responsiveness
- Retail sales to increase 3.8% and 4.4%

5 Trends Reshaping Retail

- Omni-Channel
- Digital Transformation
- Experiential Retail
- Social Media Strategies
- Chore vs Cherish



Regulation vs Profitability

- Taxes
- Marketplace Fairness
- Labor legislation
- Data Privacy



Taxes

Capital Gains Tax Bills HB 2156 & SB 5961

- ❑ HB 2156 would have imposed a Capital Gains Tax of 9.9%
- ❑ SB 5961 would have imposed a Capital Gains Tax of 8.9%

WR Position: Opposed; High Priority

Both bills failed to pass

B&O Services Tax Bill HB 2158

- ❑ HB 2158 will increase B&O Tax on Services from 20% to 66% - impacting 62,770 businesses

WR Position: Opposed; High Priority

Bill passed – Effective January 1, 2020



Taxes cont.

Real Estate Excise Tax (REET) Bill SB 5998

- ❑ Establishes a graduated real estate excise tax. Increases tax from 1.28% to 3%
 - ❑ 1.28% Property selling for \$500,000 to \$1.5 million
 - ❑ 2.75% Property selling for \$1.5 million to \$3 million
 - ❑ 3% Property selling for more than \$3 million

WR Position: Opposed; High Priority

Bill passed – Effective January 1, 2020

Non-Resident Sales Tax Exemption to Yearly Remit Program Bill SB 5997

- ❑ SB 5997 turns the non-resident sales tax exemption into a once a year remittance program. Impacts \$850 million in sales.

WR Position: Opposed; High Priority

Bill passed – Effective July 28, 2019



Marketplace Fairness

Remote Sellers Sales Tax Collection Bill SB 5581

- SB 5581, known as the “Wayfair” bill, requires remote sellers to collect and remit sales tax if they have more than \$100,000 in gross receipts or at least 200 transactions.

WR Position: Supported; High Priority

Bill passed – Effective March 14, 2019

Please check with individual states if you are a remote seller.



Labor Legislation



Employee Scheduling Bills HB 1491 & SB 5717

- HB 1491 & SB 5717 would have required retailers, food service and hospitality employers to provide employees with schedules 14 days in advance and impose penalties if there are changes.

WR Position: Opposed; High Priority

Both bills failed to pass

Independent Contractor Bills HB 1515 & SB 5513

- HB 1515 & SB 5513 would have designated independent contractors as employees requiring employers to pay workers comp, unemployment insurance, paid sick leave and paid family leave.

WR Position: Opposed; High Priority

Both bills failed to pass



Data Privacy

Data Privacy Bills HB 1854 & SB 5376

- HB 1854 & SB 5376 would have imposed onerous requirements on every business in every industry regardless of size to assess their customer and employee data files. It would have created a private right of legal action for every business.

WR Position: Opposed; High Priority

Both bills failed to pass



THANK YOU

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