

Multiple Agency Fiscal Note Summary

Bill Number: 2071 HB	Title: Online dating/excise tax
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Revenue	0	0	355,300,000	0	0	667,200,000	0	0	798,100,000
Total \$	0	0	355,300,000	0	0	667,200,000	0	0	798,100,000

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	1.2	372,900	372,900	372,900	.5	96,400	96,400	96,400	.4	76,000	76,000	76,000
Total \$	1.2	372,900	372,900	372,900	0.5	96,400	96,400	96,400	0.4	76,000	76,000	76,000

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

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Prepared by: Megan Tudor, OFM	Phone: (360) 890-1722	Date Published: Final 4/10/2025
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Individual State Agency Fiscal Note

Bill Number: 2071 HB	Title: Online dating/excise tax	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/07/2025
Agency Preparation: Mandy Kaplan	Phone: (360) 902-8977	Date: 04/10/2025
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 04/10/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 04/10/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

HB 2071 creates the domestic violence services account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).

There will be some de-minimis work for OST which can be completed within current practices and resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 2071 HB	Title: Online dating/excise tax	Agency: 140-Department of Revenue
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
NEW-State 00 - 00 -	111,100,000	244,200,000	355,300,000	667,200,000	798,100,000
Total \$	111,100,000	244,200,000	355,300,000	667,200,000	798,100,000

Estimated Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.6	0.8	1.2	0.5	0.4
Account					
GF-STATE-State 001-1	289,800	83,100	372,900	96,400	76,000
Total \$	289,800	83,100	372,900	96,400	76,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☒

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/07/2025
Agency Preparation: Victor Crosetti	Phone: 603-60-534-1554	Date: 04/10/2025
Agency Approval: Valerie Torres	Phone: 603-60-534-1521	Date: 04/10/2025
OFM Review: Megan Tudor	Phone: 603-60-890-1722	Date: 04/10/2025

Request # 2071-1-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

CURRENT LAW:

The gross income from online dating application services is subject to both the retailing business and occupation (B&O) and retail sale tax. Businesses operating social media platforms report advertising income under the service and other activities B&O tax classification.

PROPOSAL:

This proposal creates a new excise tax on businesses operating an online dating application. The tax is based on the number of Washington application users and is imposed at a rate of \$1 per resident user per month.

An online dating application is defined as "a website, application, or internet-based service that allows users to register a free or paid account or profile for the primary purpose of matching with other users in pursuit of romantic relationships or social connections."

A business that is subject to this new tax must file a monthly return to the Department of Revenue (department) and must continue to file a return in subsequent months until it reports no tax liability for 12 consecutive months.

Taxes collected from this new excise tax must be deposited into the domestic violence services account.

EFFECTIVE DATE:

This proposal takes effect on January 1, 2026.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- The definition of an online dating application includes social media applications where the primary purpose is for social connections.
- The tax is based on the number of resident users using the application for free or that pay for it.
- Washington download rates are proportionate to U.S. Census data on Washington broadband/internet usage.
- Social media applications tend to retain users year-round.
- Online dating application users tend to use the services for four to eight months at a time.
- The annual growth rate of 9.55% reflects Statista's reported social media industry growth forecast
- The NEW source is the Online Dating Application excise tax.
- The NEW fund is the Domestic Violence Services Account.
- This legislation takes effect January 1, 2026, and impacts five months of collections in fiscal year 2026.

DATA SOURCES:

- Statista - Global Dating App Users - 2015 to 2023
- Statista - Global Dating App Downloads - 2015 to 2023
- Statista - Number of users of online dating in the U.S. 2019 - 2028
- U.S. Census Bureau, Households with a broadband Internet subscription
- Backlinko. Facebook Users. <https://backlinko.com/facebook-users>
- Backlinko. Whatsapp Users. <https://backlinko.com/whatsapp-users>
- SOAX. How many users does Instagram have. <https://soax.com/research/how-many-users-does-instagram-have>

REVENUE ESTIMATES:

This bill increases state revenues by an estimated \$111.1 million in the five months of impacted collections in fiscal year 2026, and by \$244.2 million in fiscal year 2027, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2026 -	\$ 111,100
FY 2027 -	\$ 244,200
FY 2028 -	\$ 318,700
FY 2029 -	\$ 348,500
FY 2030 -	\$ 381,200
FY 2031 -	\$ 416,900

Local Government, if applicable (cash basis, \$000): None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

This proposal affects 1,500 taxpayers.

FIRST YEAR COSTS:

The department will incur total costs of \$289,800 in fiscal year 2026. These costs include:

Labor Costs – Time and effort equate to 1.63 FTEs.

- Set up, program, and test computer system changes.
- Create a special notice and update relevant information on the department’s website.
- Receive mail and paper correspondence, key in tax return information, process paper documents for scanning and verify imaging, index data items.
- Process tax return work items, assist taxpayers with reporting questions, and respond to inquiries via email, web message, and paper correspondence.
- Examine accounts and make corrections as necessary.
- Answer additional phone calls and counter inquiries from businesses, individuals, and accountants regarding tax questions and tax return preparation.
- Respond to data requests and questions, compile statistics, and manage data.
- Adopt one administrative rule.

Object Costs - \$76,100.

- Computer system changes, including contract programming.
- Printing and postage for special notice, returns, and correspondence.

SECOND YEAR COSTS:

The department will incur total costs of \$83,100 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 0.8 FTE.

- Receive mail and paper correspondence, key in tax return information, process paper documents for scanning and verify

imaging, index data items.

- Process tax return work items, assist taxpayers with reporting questions, and respond to inquiries via email, web message, and paper correspondence.
- Examine accounts and make corrections as necessary.
- Respond to data requests and questions, compile statistics, and manage data.

Object Costs - \$300.

- Printing and postage for returns and correspondence.

ONGOING COSTS:

Ongoing costs for the 2027-29 biennium equal \$96,400 and include similar activities described in the second-year costs. Time and effort equate to 0.5 FTE.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.6	0.8	1.2	0.5	0.4
A-Salaries and Wages	134,800	50,600	185,400	58,600	46,000
B-Employee Benefits	48,600	18,300	66,900	21,100	16,600
C-Professional Service Contracts	74,700		74,700		
E-Goods and Other Services	25,300	11,800	37,100	14,700	11,800
J-Capital Outlays	6,400	2,400	8,800	2,000	1,600
Total \$	\$289,800	\$83,100	\$372,900	\$96,400	\$76,000

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EMS BAND 4	135,635	0.0		0.0		
EMS BAND 5	158,451	0.0		0.0		
EXCISE TAX EX 2	59,844	0.1	0.4	0.3	0.3	0.2
EXCISE TAX EX 3	66,012	0.1	0.2	0.2	0.2	0.1
EXCISE TAX EX 4	72,924	0.1		0.1		
FORMS AND RECORDS ANALYSIS	43,716	0.1	0.1	0.1	0.1	0.1
1						
IT B A-JOURNEY	94,728	0.3		0.2		
IT QA-SR/SPEC	104,412	0.1		0.1		
IT SYS ADM-JOURNEY	99,444	0.2		0.1		
MGMT ANALYST4	78,468	0.0		0.0		
TAX INFO SPEC 1	47,988	0.1		0.1		
TAX POLICY SP 2	80,460	0.1		0.0		
TAX POLICY SP 3	91,068	0.3	0.1	0.2		
TAX POLICY SP 4	98,040	0.0		0.0		
WMS BAND 2	101,410	0.1		0.1		
WMS BAND 3	115,352	0.0		0.0		
Total FTEs		1.6	0.8	1.2	0.5	0.4

III. C - Expenditures By Program (optional)

NONE

Request # 2071-1-1

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the department will use the standard process to adopt WAC 458-20-NEW, titled: "Dating app excise tax." This rulemaking would affect operators of online dating apps.



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
2071 HB	Online dating/excise tax

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	Fiscal Year 2034	Fiscal Year 2035	2026-35 TOTAL
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Department of Revenue	111,100,000	244,200,000	318,700,000	348,500,000	381,200,000	416,900,000	456,100,000	499,000,000	545,900,000	597,400,000	3,919,000,000
Total	111,100,000	244,200,000	318,700,000	348,500,000	381,200,000	416,900,000	456,100,000	499,000,000	545,900,000	597,400,000	3,919,000,000



Ten-Year Analysis

Bill Number 2071 HB	Title Online dating/excise tax	Agency 090 Office of State Treasurer
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Mandy Kaplan	Phone: (360) 902-8977	Date: 4/10/2025 1:47:34 pm
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 4/10/2025 1:47:34 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2071 HB	Title Online dating/excise tax	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts**
☐ **Partially Indeterminate Cash Receipts**
☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	Fiscal Year 2034	Fiscal Year 2035	2026-35 TOTAL
Online data application excise tax	NEW	111,100,000	244,200,000	318,700,000	348,500,000	381,200,000	416,900,000	456,100,000	499,000,000	545,900,000	597,400,000	3,919,000,000
Total		111,100,000	244,200,000	318,700,000	348,500,000	381,200,000	416,900,000	456,100,000	499,000,000	545,900,000	597,400,000	3,919,000,000
Biennial Totals		355,300,000		667,200,000		798,100,000		955,100,000		1,143,300,000		3,919,000,000

Narrative Explanation (Required for Indeterminate Cash Receipts)

CURRENT LAW:

The gross income from online dating application services is subject to both the retailing business and occupation (B&O) and retail sale tax. Businesses operating social media platforms report advertising income under the service and other activities B&O tax classification.

PROPOSAL:

This proposal creates a new excise tax on businesses operating an online dating application. The tax is based on the number of Washington application users and is imposed at a rate of \$1 per resident user per month.

An online dating application is defined as "a website, application, or internet-based service that allows users to register a free or paid account or profile for the primary purpose of matching with other users in pursuit of romantic relationships or social connections."

A business that is subject to this new tax must file a monthly return to the Department of Revenue (department) and must continue to file a return in subsequent months until it reports no tax liability for 12 consecutive months.

Taxes collected from this new excise tax must be deposited into the domestic violence services account.



Ten-Year Analysis

Bill Number	Title	Agency
2071 HB	Online dating/excise tax	140 Department of Revenue

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

EFFECTIVE DATE:

This proposal takes effect on January 1, 2026.

ASSUMPTIONS:

- The definition of an online dating application includes social media applications where the primary purpose is for social connections.
- The tax is based on the number of resident users using the application for free or that pay for it.
- Washington download rates are proportionate to U.S. Census data on Washington broadband/internet usage.
- Social media applications tend to retain users year-round.
- Online dating application users tend to use the services for four to eight months at a time.
- The annual growth rate of 9.55% reflects Statista's reported social media industry growth forecast
- The NEW source is the Online Dating Application excise tax.
- The NEW fund is the Domestic Violence Services Account.
- This legislation takes effect January 1, 2026, and impacts five months of collections in fiscal year 2026.

DATA SOURCES:

- Statista - Global Dating App Users - 2015 to 2023
- Statista - Global Dating App Downloads - 2015 to 2023
- Statista - Number of users of online dating in the U.S. 2019 - 2028
- U.S. Census Bureau, Households with a broadband Internet subscription
- Backlinko. Facebook Users. <https://backlinko.com/facebook-users>
- Backlinko. Whatsapp Users. <https://backlinko.com/whatsapp-users>
- SOAX. How many users does Instagram have. <https://soax.com/research/how-many-users-does-instagram-have>
- DemandSage. Reddit Statistics 2025: Users, Revenue & More

REVENUE ESTIMATES:

This bill increases state revenues by an estimated \$111.1 million in the five months of impacted collections in fiscal year 2026, and by \$244.2 million in fiscal year 2027, the first full year of impacted collections.

TOTAL REVENUE IMPACT:



Ten-Year Analysis

Bill Number	Title	Agency
2071 HB	Online dating/excise tax	140 Department of Revenue

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

State Government (cash basis, \$000):

FY 2026 - \$ 111,100
FY 2027 - \$ 244,200
FY 2028 - \$ 318,700
FY 2029 - \$ 348,500
FY 2030 - \$ 381,200
FY 2031 - \$ 416,900

Local Government, if applicable (cash basis, \$000): None

Agency Preparation: Victor Crosetti	Phone: 360-534-1554	Date: 4/10/2025 12:13:13 pm
Agency Approval: Valerie Torres	Phone: 360-534-1521	Date: 4/10/2025 12:13:13 pm
OFM Review:	Phone:	Date: