



# Tips for Completing a Ten-Year Cost Analysis – Netting Rules: How to treat decreases

Follow these rules when both increases and decreases in taxes or fees are present:

- 1. Same bill, same account: net tax increases and decreases against each other. It doesn't need to be the same tax.**
  - If the tax being raised and the tax being lowered are deposited into the same fund or account and the net effect is positive, I-960 applies. Show the increases and decreases on separate lines in the ten-year table if the increases and decreases are for different taxes. For the same tax, they can be combined on one line. Explain the increase and decrease in the narrative. Note: Do not show tax decreases for an account that doesn't have greater tax increases. Discuss these in the narrative. See number 5 below.
- 2. Notify OFM if a ten-year analysis has been requested and the net effect for taxes that can be netted is zero or negative.**
  - When taxes can be netted, OFM can't always tell from reading the bill whether the net effect will be positive or negative. If positive, a ten-year analysis is required. If zero or negative, a ten-year analysis is not required. If you notify us that the net effect is zero or negative, we will cancel the request for the ten-year analysis.
- 3. Increases and decreases in fees are never netted against each other.**
- 4. An increase in a fee and decrease in a tax, or vice versa, cannot be netted against each other.**
- 5. In the Narrative Section: Discuss the decrease for fees. Discuss tax decreases that are in a different account than the tax increase. Also provide information on decreases that offset increases within the same tax that are included in the table.**
  - Although I-960 only requires that we identify increases in taxes or fees, some bills contain both. In the email press release, we show the ten years of estimated increases in the table but like to provide some narrative information about the decrease.
  - **You don't need to provide ten years of estimates for decreases in the narrative but do provide a general idea of the amount of decrease.**

Example narrative for a decrease that cannot be netted against the increase: There would also be a decrease in the Business and Occupation Tax collections. The decrease would be approximately \$600,000 in Fiscal Year 2022 and approximately \$3.0 million each year thereafter.

## Other Resources:

- [OFM Implementation Criteria for I-960](#)
- [Ten-Year Cost Analysis \(I-960\) Instructions for Agencies](#)
- For questions about how to complete a Ten-Year analysis, contact your [OFM Budget Analyst](#).
- For system and technical questions, contact the OFM Helpdesk at (360) 407-9100 or email [HereToHelp@ofm.wa.gov](mailto:HereToHelp@ofm.wa.gov).

