

New Tax on Professional Services Puts Washington's Small Businesses and Communities at Risk

Washington's new tax on professional services threatens small businesses, raising costs and straining local communities.

TACOMA, WA, UNITED STATES, September 16, 2025 /EINPresswire.com/ -- As Washington

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prepares to implement [ESSB 5814](#), a new law expanding sales tax to professional services, small businesses across the state are bracing for significant financial strain. [Integrity PNW](#) warns that the legislation, which affects industries ranging from IT support and custom software to advertising and marketing, will drive up costs for companies that are already operating on tight margins. These increased expenses could limit business growth, reduce investment in employees, and hinder the ability of local companies to contribute to the communities they serve.

The new law extends retail sales tax to industries including IT support, custom software, advertising, and marketing,

while also requiring a one-time prepayment from larger firms toward state sales tax collection. For small businesses already navigating a fragile economy, this translates into increased costs that can limit their ability to invest in growth, employees, and the communities they serve.

“Small businesses aren't just economic engines, they're the heart of our communities,” said Allison Woslager, CEO & Senior Marketing Consultant of Integrity PNW. “At Integrity PNW, we provide marketing and advertising services to local businesses, helping them attract new customers, retain loyal clients, and stand out in a competitive marketplace. If these businesses are forced to spend more on taxes, it directly reduces the resources they have to invest in their marketing strategies, which can ultimately affect their survival and the vitality of the communities they serve.”

Integrity PNW works with a wide variety of small businesses. Marketing and advertising are

essential tools that allow these businesses to remain visible, drive revenue, and support employees. With ESSB 5814, the cost of these services increases, creating a ripple effect: higher expenses for businesses often result in reduced advertising, fewer promotions, and slower growth.

“When local businesses cut back on marketing due to increased costs, the impact is felt beyond the bottom line,” Woslager explained. “Community events may lose sponsorships, local initiatives may go unfunded, and jobs can be at risk. This tax doesn’t just affect the business owner; it affects families, employees, and the neighborhoods where they operate.”

Lawmakers have also expressed concern about the broad and unclear nature of the tax. “Not only is it going to be a significant new tax on a whole host of things, but it's so poorly defined....you know, food, gas, housing, childcare, healthcare, it's all getting taxed,” said Sen. John Braun, R-Centralia, in an interview with The Center Square. “It’s all going to accrue to a higher cost of living for Washingtonians across the state. And that's bad, that's really bad.”

Woslager emphasized that these ripple effects will touch residents directly. “When small businesses struggle, local services shrink, sponsorships disappear, and jobs can be lost,” she said. “ESSB 5814 may increase revenue for the state, but it risks weakening the very communities that make Washington vibrant and thriving. Businesses can’t grow, employees can’t thrive, and families feel the squeeze.”

Integrity PNW will continue advocating for policies that support, rather than strain, local economies while also helping its clients adapt to the challenges posed by ESSB 5814. “We are working closely with our clients to ensure their marketing and advertising efforts remain effective. By helping them focus on the strategies that deliver the greatest impact, we enable them to stay competitive and continue serving their communities.”

For more information or to share your perspective, contact operations@integritypnw.com

Alison Woslager



Allison Woslager, CEO & Senior Marketing Consultant at Integrity PNW, warns that Washington’s new tax could weaken small businesses and communities.

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