

HOUSE BILL REPORT

HJM 4008

As Reported By House Committee On:
Revenue

Brief Description: Requesting a full deduction for sales taxes on federal tax returns.

Sponsors: Representatives Mastin, Campbell, Horn, Pruitt, Kremen and Long.

Brief History:

Reported by House Committee on:
Revenue, March 4, 1993, DP.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass. Signed by 14 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Cothorn; Leonard; Morris; Romero; Rust; Silver; Van Luven; and Wang.

Staff: Bob Longman (786-7139).

Background: In 1986, federal tax reform removed the itemized deduction for state and local sales taxes. State and local income taxes and property taxes continued to be allowable itemized deductions.

Summary of Bill: Memorializes Congress to restore the itemized deduction for sales taxes.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is a fairness issue. Other states, by virtue of their different tax structure, like state income taxes, are able to deduct those taxes from their federal income tax returns. Washington was able to do the same, until the Federal Tax Reform Act of 1986; it's time to change it back.

Testimony Against: None.

Witnesses: Representative Mastin, prime sponsor;
Representative Grant; and Tony Meinhardt, Independent
Business Association (all in favor).