

1 **SHB 1722 - H AMD 0165 WITHDRAW 3-15-03**

2 By Representative Hudgins

3 On page 2, line 21, strike "or"

4 On page 2, line 23, after "sellers" insert "; or (c) November
5 1, 2006"

6 On page 4, line 18, strike "or"

7 On page 4, line 21, after "sellers" insert "; or (c) November
8 1, 2006"

9 On page 6, line 6, strike "or"

10 On page 6, line 9, after "sellers" insert "; or (c) November 1,
11 2006"

12 On page 6, after line 9, insert:

13 "NEW SECTION. **Sec. 5.** A new section is added to chapter
14 43.136 RCW to read as follows:

15 (1) The joint legislative audit and review committee shall
16 perform an accountability review of the exemptions in section 2,
17 3(5), and 4(5) of this act. The committee shall consider, but not
18 be limited to, the following factors in the review:

19 (a) The classes of individuals, types of organizations, or
20 types of industries whose state tax liabilities are directly
21 affected by the tax exemptions;

22 (b) Public policy objectives that might provide a justification
23 for the tax exemptions, including but not limited to the
24 legislative history, any legislative intent, or the extent to which
25 the tax exemptions encourage business growth or relocation into
26 this state, promotes growth or retention of high wage jobs, or
27 helps stabilize communities;

1 (c) Evidence that the existence of the tax exemptions have
2 contributed to the achievement of any of the public policy
3 objectives;

4 (d) The extent to which continuation of the tax exemptions
5 might contribute to any of the public policy objectives;

6 (e) The feasibility of modifying the tax exemptions to provide
7 for adjustment or recapture of the tax benefits of the tax
8 exemptions if the objectives are not fulfilled;

9 (f) Fiscal impacts of the tax exemptions, including past
10 impacts and expected future impacts if it is continued. For the
11 purposes of this subsection, "fiscal impact" includes an analysis
12 of the general effects of the tax on the overall state economy,
13 including, but not limited to, the effects of the tax on the
14 consumption and expenditures of persons and businesses within the
15 state;

16 (g) The extent to which termination of the tax exemptions would
17 affect the distribution of liability for payment of state taxes.

18 (2) The committee shall provide a recommendation as to whether
19 the tax exemptions should be continued without modification,
20 modified, scheduled for sunset review at a future date, or allowed
21 to expire as scheduled. The committee may recommend different
22 accountability standards for future review of the exemptions.

23 (3) The committee shall submit the conclusions of its review in
24 a report to the finance committee of the house of representatives
25 and the ways and means committee of the senate by January 1, 2006."

26 Correct the title.

EFFECT: Adds an expiration date of November 1, 2006. Requires the JLARC to do an accountability review the tax exemptions by January 1, 2006.