

3118

Sponsor(s): Representatives McIntire, Hunter, Santos and Conway

Brief Description: Requiring formal evaluation of the impact of fiscal changes on individuals and businesses.

**HB 3118 - DIGEST**

Requires the office of financial management to, in cooperation with appropriate legislative committees and legislative staff, establish a procedure for the provision of a tax incidence note for any bill or resolution that increases, decreases, or redistributes state government revenues for any state tax or local tax administered by the state by more than ten million dollars per fiscal year.

Provides that a tax incidence note shall be a written report describing who would experience the fiscal burden or benefit imposed by a proposed change. The note shall indicate the tax incidence for the first full year in which the bill or resolution will be effective.

Establishes a tax incidence note advisory committee.

Provides that, in January of every odd-numbered year, beginning January 2007, the department shall submit to the legislature before the regular session a report on the tax incidence of state and local taxes administered by the department.

Requires the report to present information on the distribution of the tax burden: (1) By overall income distribution, using a system-wide tax incidence measure with appropriate measures of equality and inequality;

(2) By income classes, including at a minimum deciles of the income distribution; and

(3) By other appropriate taxpayer characteristics.