
Finance Committee

HB 1096

Brief Description: Requiring a tax expenditure report as part of the biennial budget documents.

Sponsors: Representatives Santos, Hasegawa, Conway, Darneille, Chase, McCoy, Hudgins, Schual-Berke and Morrell.

Brief Summary of Bill

- Requires a tax expenditures report to be produced every two years with the Governor's budget.

Hearing Date: 1/19/05

Staff: Bob Longman (786-7139).

Background:

The Legislature has enacted more than 400 tax exemptions, according to a report published by the Department of Revenue every four years. The term "exemption" is used broadly to include tax exemptions, exclusions, deductions, credits, deferrals, and preferential rates. These are also sometimes referred to as "tax preferences." The report describes each exemption, the year of enactment, the purpose of the exemption (or the Department's best estimate of the purpose), an indication of primary beneficiaries, and estimated fiscal impact.

Summary of Bill:

A tax expenditures report is created as part of the Governor's biennial budget documents. The report will include the listing of tax exemptions prepared by the Department of Revenue and will categorize each exemption according to the program or function it supports. The Governor will make a recommendation on whether each exemption scheduled to terminate in the next biennium should be allowed to terminate, continue, or continue with modification.

Appropriation: None.

Fiscal Note: Requested on January 13, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.