

HOUSE BILL REPORT

ESB 6663

As Reported by House Committee On:
Finance

Title: An act relating to improving the administration of department of revenue tax programs by correcting and clarifying statutes.

Brief Description: Improving tax program administration by correcting, clarifying, eliminating, repealing, and decodifying statutes related to the department of revenue.

Sponsors: Senators Schoesler, Pridemore, Roach, Zarelli, Holmquist, Keiser and Kohl-Welles.

Brief History:

Committee Activity:

Finance: 2/20/08, 2/27/08 [DP].

Brief Summary of Engrossed Bill

- An act relating to improving the administration of Department of Revenue tax programs by correcting and clarifying statutes.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 9 members: Representatives Hunter, Chair; Hasegawa, Vice Chair; Orcutt, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Conway, Ericks, McIntire, Roach and Santos.

Staff: Don Taylor (786-7388).

Background:

When legislation is enacted, it frequently contains references to other statutes. These references may become erroneous due to changes made to the referenced statutes by other legislation enacted during the same legislative session. In addition, statutes sometimes include provisions that are limited in time. These provisions become obsolete with the passage of time.

From time to time, statutory revisions are made for the purpose of increasing clarity or improving administration.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

Technical corrections are made to various provisions of the tax code by: (1) simplifying the tax code by repealing several obsolete provisions and removing extraneous language; and (2) clarifying statutory provisions.

Local Sales & Use Taxes: eliminates obsolete language, including contingencies which occurred, references to the motor vehicle excise tax revenue distributions, dates which have passed, and references to the Safeco stadium contract provisions which are obsolete.

Litter Tax Study: although not necessarily a technical correction, one provision removes the requirement that the Department of Revenue (DOR) conduct a litter tax study to evaluate collections, enforcement and recent studies have shown a high rate of compliance, which is equivalent to other state excise taxes.

Cigarette Tax: changes the components of the cigarette tax rate from "mills" per cigarette, to "cents" per cigarette.

Leasehold Excise Tax: deletes obsolete language relating to 2001-2003 biennium account transfers; repeals obsolete statute concerning cancellation of taxes levied for collection in 1976, and decodifies related severability and effective date sections.

Property Tax: removes references in RCW 84.09.030 to the obsolete dates for establishing property tax district boundaries, deleting statutory references to dates earlier than August 1, and removes the requirement for DOR to compute a hypothetical state property tax levy without regard to the reduction of state property tax levy for collection in 1996.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.