
SENATE BILL 6496

State of Washington

62nd Legislature

2012 Regular Session

By Senators Pridemore, Chase, Prentice, Nelson, Shin, Kline, Harper, Conway, and Kohl-Welles

Read first time 01/26/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to improving accountability by requiring that new
2 tax preferences have a net benefit to the state; and adding new
3 sections to chapter 43.135 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.135 RCW
6 to read as follows:

7 (1) For any bill introduced in either the house of representatives
8 or the senate that adopts a new tax preference or expands or extends an
9 existing tax preference, the bill must require that the tax preference
10 have a net benefit to the state.

11 (2) "Net benefit to the state" means the amount of economic benefit
12 to the state in jobs created or retained, if the stated legislative
13 intent of the tax preference was job creation or retention, plus the
14 amount of increased economic activity directly related to the tax
15 preference claimed, measured by the amount of taxes paid by the
16 increased economic activity claimed, minus the annual amount of
17 taxpayer savings.

18 (a) For purposes of this subsection (2), the amount of economic
19 benefit to the state in jobs created or retained must be measured by

1 state and local taxes paid by an employee, which must be calculated as
2 a percentage of the annual wage for each employment position as
3 follows:

4 (i) For an annual wage of less than twenty thousand dollars, the
5 percentage is 17.3 percent;

6 (ii) For an annual wage of more than twenty thousand dollars and
7 less than thirty-seven thousand dollars, the percentage is 12.7
8 percent;

9 (iii) For an annual wage of more than thirty-seven thousand dollars
10 and less than sixty-two thousand dollars, the percentage is 11.2
11 percent;

12 (iv) For an annual wage of more than sixty-two thousand dollars and
13 less than ninety-nine thousand dollars, the percentage is 9.5 percent;
14 and

15 (v) For an annual wage of more than ninety-nine thousand dollars,
16 the percentage is 7.6 percent.

17 (b) For purposes of this subsection (2), the amount of increased
18 economic activity directly related to the tax preference claimed must
19 be measured by the increased taxes paid by the taxpayer annually on the
20 activity directly related to the tax preference minus the annual amount
21 of taxpayer savings.

22 (3) For purposes of this section, "tax preference" has the same
23 meaning as in RCW 43.136.021.

24 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.135 RCW
25 to read as follows:

26 (1) Any bill that is enacted without the net benefit to the state
27 provisions required by section 1 of this act does not take effect.

28 (2) The department of revenue must provide written notice that such
29 bill did not take effect to affected parties, the chief clerk of the
30 house of representatives, the secretary of the senate, the office of
31 the code reviser, and others as deemed appropriate by the department.

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