

ESB 5843 - H COMM AMD
By Committee on Finance

ADOPTED AND ENGROSSED 4/26/13

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 82.32 RCW
4 to read as follows:

5 (1) Except as otherwise provided in this section, every new tax
6 preference expires on the first day of the calendar year that is
7 subsequent to the calendar year that is ten years from the effective
8 date of the bill. With respect to any property tax exemption, the
9 exemption does not apply to taxes levied for collection beginning in
10 the calendar year that is subsequent to the calendar year that is ten
11 years from the effective date of the bill.

12 (2) Subsection (1) of this section does not apply if legislation
13 creating a new tax preference includes an expiration date for the new
14 tax preference.

15 (3) Subsection (1) of this section does not apply to any existing
16 tax preference that is amended to clarify an ambiguity or correct a
17 technical inconsistency.

18 (4) For the purposes of this section, the following definitions
19 apply:

20 (a) "New tax preference" means a tax preference that initially took
21 effect after August 1, 2013, or a tax preference in effect as of August
22 1, 2013, that is expanded or extended after August 1, 2013.

23 (b) "Tax preference" has the same meaning as in RCW 43.136.021 with
24 respect to any state tax under this title and Title 84 RCW.

25 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.32 RCW
26 to read as follows:

27 (1) As provided in this section, every bill enacting a new tax
28 preference must include a tax preference performance statement.

1 (2) A tax preference performance statement must state the
2 legislative purpose for the new tax preference. The tax preference
3 performance statement must indicate one or more of the following
4 general categories, by reference to the applicable category specified
5 in this subsection, as the legislative purpose of the new tax
6 preference:

7 (a) Tax preferences intended to induce certain designated behavior
8 by taxpayers;

9 (b) Tax preferences intended to improve industry competitiveness;

10 (c) Tax preferences intended to create or retain jobs;

11 (d) Tax preferences intended to reduce structural inefficiencies in
12 the tax structure;

13 (e) Tax preferences intended to provide tax relief for certain
14 businesses or individuals; or

15 (f) Tax preferences intended to achieve a general purpose not
16 identified in (a) through (e) of this subsection.

17 (3) In addition to identifying the general legislative purpose of
18 the tax preference under subsection (2) of this section, the tax
19 preference performance statement must provide additional detailed
20 information regarding the legislative purpose of the new tax
21 preference.

22 (4) A new tax preference performance statement must specify clear,
23 relevant, and ascertainable metrics and data requirements that allow
24 the joint legislative audit and review committee to measure the
25 effectiveness of the new tax preference in achieving the purpose
26 designated under subsection (2) of this section.

27 (5) If the tax preference performance statement for a new tax
28 preference indicates a legislative purpose described in subsection
29 (2)(b) or (c) of this section, any taxpayer claiming the new tax
30 preference must file an annual survey in accordance with RCW 82.32.585.

31 (6) Taxpayers claiming a new tax preference impacting any tax under
32 this title must report the amount of the tax preference claimed by the
33 taxpayer to the department as part of the taxpayer's regular tax
34 reporting responsibilities under this chapter. For new tax preferences
35 allowing certain types of gross income of the business to be excluded
36 from business and occupation taxation, the tax return must explicitly
37 report the amount of the exclusion, regardless of whether it is
38 structured as an exemption or deduction. For a new sales and use tax

1 exemption, the total taxable sales subject to the exemption claimed by
2 the taxpayer must be reported on an addendum to the taxpayer's tax
3 return.

4 (7) The amount claimed by a taxpayer for any new tax preference is
5 subject to public disclosure and is not considered confidential tax
6 information under RCW 82.32.330. The department may waive the public
7 disclosure requirement under this subsection for good cause. Good
8 cause may be demonstrated by a reasonable showing of economic harm to
9 a taxpayer if the information specified under this subsection is
10 disclosed. Taxpayers may request the department to treat the amount of
11 the tax preference claimed by a taxpayer during a calendar year as
12 confidential under RCW 82.32.330 if the amount for the calendar year is
13 less than ten thousand dollars.

14 (8) If a new tax preference does not include the information
15 required under subsections (2) through (4) of this section, the joint
16 legislative audit and review committee is not required to perform a tax
17 preference review under chapter 43.136 RCW, and it is legislatively
18 presumed that it is the intent of the legislature to allow the new tax
19 preference to expire upon its scheduled expiration date.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.136 RCW
21 to read as follows:

22 By January 1, 2015, and in compliance with RCW 43.01.036, the joint
23 legislative audit and review committee must provide a report to the
24 appropriate fiscal committees of the legislature that makes
25 recommendations on the appropriate data and metrics that should be
26 included in a tax preference performance statement to evaluate a new
27 tax preference. The committee must consult with the department of
28 revenue and legislative fiscal staff in the preparation of the report.
29 The committee's recommendation must identify the appropriate data and
30 metrics for each of the general categories provided in section 2(2) of
31 this act.

32 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04 RCW
33 to read as follows:

34 See section 1 of this act for the expiration date of new tax
35 preferences for the tax imposed under this chapter.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.08 RCW
2 to read as follows:

3 See section 1 of this act for the expiration date of new tax
4 preferences for the tax imposed under this chapter.

5 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.12 RCW
6 to read as follows:

7 See section 1 of this act for the expiration date of new tax
8 preferences for the tax imposed under this chapter.

9 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.14B RCW
10 to read as follows:

11 See section 1 of this act for the expiration date of new tax
12 preferences for the tax imposed under this chapter.

13 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.16 RCW
14 to read as follows:

15 See section 1 of this act for the expiration date of new tax
16 preferences for the tax imposed under this chapter.

17 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.18 RCW
18 to read as follows:

19 See section 1 of this act for the expiration date of new tax
20 preferences for the tax imposed under this chapter.

21 NEW SECTION. **Sec. 10.** A new section is added to chapter 82.19 RCW
22 to read as follows:

23 See section 1 of this act for the expiration date of new tax
24 preferences for the tax imposed under this chapter.

25 NEW SECTION. **Sec. 11.** A new section is added to chapter 82.21 RCW
26 to read as follows:

27 See section 1 of this act for the expiration date of new tax
28 preferences for the tax imposed under this chapter.

29 NEW SECTION. **Sec. 12.** A new section is added to chapter 82.23A
30 RCW to read as follows:

1 See section 1 of this act for the expiration date of new tax
2 preferences for the tax imposed under this chapter.

3 NEW SECTION. **Sec. 13.** A new section is added to chapter 82.23B
4 RCW to read as follows:

5 See section 1 of this act for the expiration date of new tax
6 preferences for the tax imposed under this chapter.

7 NEW SECTION. **Sec. 14.** A new section is added to chapter 82.24 RCW
8 to read as follows:

9 See section 1 of this act for the expiration date of new tax
10 preferences for the tax imposed under this chapter.

11 NEW SECTION. **Sec. 15.** A new section is added to chapter 82.26 RCW
12 to read as follows:

13 See section 1 of this act for the expiration date of new tax
14 preferences for the tax imposed under this chapter.

15 NEW SECTION. **Sec. 16.** A new section is added to chapter 82.27 RCW
16 to read as follows:

17 See section 1 of this act for the expiration date of new tax
18 preferences for the tax imposed under this chapter.

19 NEW SECTION. **Sec. 17.** A new section is added to chapter 82.29A
20 RCW to read as follows:

21 See section 1 of this act for the expiration date of new tax
22 preferences for the tax imposed under this chapter.

23 NEW SECTION. **Sec. 18.** A new section is added to chapter 82.36 RCW
24 to read as follows:

25 See section 1 of this act for the expiration date of new tax
26 preferences for the tax imposed under this chapter.

27 NEW SECTION. **Sec. 19.** A new section is added to chapter 82.38 RCW
28 to read as follows:

29 See section 1 of this act for the expiration date of new tax
30 preferences for the tax imposed under this chapter.

1 NEW SECTION. **Sec. 20.** A new section is added to chapter 82.42 RCW
2 to read as follows:

3 See section 1 of this act for the expiration date of new tax
4 preferences for the tax imposed under this chapter.

5 NEW SECTION. **Sec. 21.** A new section is added to chapter 82.45 RCW
6 to read as follows:

7 See section 1 of this act for the expiration date of new tax
8 preferences for the tax imposed under this chapter.

9 NEW SECTION. **Sec. 22.** A new section is added to chapter 82.48 RCW
10 to read as follows:

11 See section 1 of this act for the expiration date of new tax
12 preferences for the tax imposed under this chapter.

13 NEW SECTION. **Sec. 23.** A new section is added to chapter 82.49 RCW
14 to read as follows:

15 See section 1 of this act for the expiration date of new tax
16 preferences for the tax imposed under this chapter.

17 NEW SECTION. **Sec. 24.** A new section is added to chapter 82.64 RCW
18 to read as follows:

19 See section 1 of this act for the expiration date of new tax
20 preferences for the tax imposed under this chapter."

21 Correct the title.

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