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**State Government, Elections &  
Information Technology Committee**

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**HB 1981**

**Brief Description:** Estimating the effective tax rate of proposed ballot measures and legislation.

**Sponsors:** Representatives Farrell, Ormsby, Slatter, Pollet and Jinkins.

**Brief Summary of Bill**

- Estimating the effective tax rate of proposed ballot measures and legislation.

**Hearing Date:** 2/15/17

**Staff:** Megan Palchak (786-7105).

**Background:**

The Office of Financial Management (OFM), an agency within the Executive Branch, conducts short and long-range program planning regarding fiscal activities related to state government. The Director of OFM is responsible for quarterly reporting of primary operating budget drivers such as applicable workloads, caseload estimates, and appropriate unit cost data. The OFM's reports must be transmitted to the legislative fiscal committees or by electronic means to the Legislative Evaluation and Accountability Program Committee.

The Secretary of State is required to print voter pamphlets and provide information on statewide issues on the ballot except measures for an advisory vote of the people.

**Summary of Bill:**

The OFM must prepare a revenue equity statement written in clear and concise language, with specified components, and file the statement with the Secretary of State no later than the tenth day of August. The statement must describe projections regarding the affect of any projected increase or decrease in the average effective tax rate imposed directly or indirectly on

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*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.*

Washington residents in excess of .05 percent of family income for any family income quintile. The statement must be available on the Secretary of State's website. Additional information may be posted on the OFM's website.

The OFM in consultation with the Legislature, Department of Revenue, and other state and local agencies must establish a procedure for providing a tax rate equity statement for legislative bills describing projected impact.

Revenue equity statements must be included in voter pamphlets except for advisory vote measures.

"Effective tax rate" includes fees that broadly apply to the majority of Washington residents and revenue measures identified as taxes.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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