

2SHB 2157 - H AMD 789

By Representative Orcutt

NOT CONSIDERED 12/23/2019

1 On page 33, after line 18, insert the following:

2 **"Part VII**

3 **Tax Increase Performance Measures**

4 NEW SECTION. **Sec. 701.** A new section is added to chapter 82.32
5 RCW to read as follows:

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

13 (b) A future amendment that expands a tax imposed does not extend
14 the tax beyond the period provided in this subsection unless an
15 extension is expressly and unambiguously stated in the amendment.

16 (2) Subsection (1) of this section does not apply if legislation
17 imposing a new tax includes an expiration date for the new tax
18 imposed.

19 (3) Subsection (1) of this section does not apply to any existing
20 tax imposed that is amended to clarify an ambiguity or correct a
21 technical inconsistency. Future enacted legislation intended to make
22 such clarifications or corrections must explicitly indicate this
23 intent.

24 (4) The definitions in this subsection apply throughout this
25 section unless the context clearly requires otherwise.

26 (a) "New tax imposed" means a tax that initially takes effect
27 after August 1, 2019, or a tax in effect as of August 1, 2019, that
28 is expanded or extended after August 1, 2019, even if the expanding
29 or extending amendment includes any other change to the tax.

30 (b) "Tax" means any tax levied pursuant to this title and title
31 84 RCW.

1 (5) The department must provide written notice to the office of
2 the code reviser of a ten-year expiration date required under this
3 section for a new tax imposed.

4 NEW SECTION. **Sec. 702.** A new section is added to chapter 82.32
5 RCW to read as follows:

6 (1) As provided in this section, every bill enacting a new tax
7 must include a tax performance statement, unless the legislation
8 enacting the new tax contains an explicit exemption from the
9 requirements of this section.

10 (2) A tax performance statement must state the legislative
11 purpose for the new tax. The tax performance statement must indicate
12 one or more of the following general categories, by reference to the
13 applicable category specified in this subsection, as the legislative
14 purpose of the new tax:

15 (a) Tax intended to induce certain designated behavior by
16 taxpayers;

17 (b) Tax intended to address industry inequities;

18 (c) Tax intended to fund specific policies or programs;

19 (d) Tax intended to reduce structural inefficiencies in the tax
20 structure;

21 (e) A general purpose not identified in (a) through (d) of this
22 subsection.

23 (3) In addition to identifying the general legislative purpose of
24 the new tax imposed under subsection (2) of this section, the tax
25 performance statement must provide additional detailed information
26 regarding the legislative purpose of the new tax imposed.

27 (4) A new tax performance statement must specify clear, relevant,
28 and ascertainable metrics and data requirements that allow the joint
29 legislative audit and review committee and the legislature to measure
30 the effectiveness of the new tax imposed in achieving the purpose
31 designated under subsection (2) of this section."

32 Renumber the remaining part and sections consecutively, correct
33 any internal references accordingly, and correct the title.

EFFECT: Creates a new tax performance statement requirement and imposes an automatic 10-year expiration for a new tax.

--- **END** ---