

ESSB 5096 - H AMD TO FIN COMM AMD (H-1547.5/21) **726**
By Representative Chase

NOT ADOPTED 04/20/2021

1 Beginning on page 1, line 23, strike sections 2 and 3 and insert
2 the following:

3 "NEW SECTION. **Sec. 2.** (1) The taxpayer fairness account is
4 created in the state treasury. All taxes, interest, and penalties
5 collected under this chapter shall be deposited into the account.
6 Expenditures from the account must only be used as provided in this
7 section.

8 (2)(a) Beginning July 1, 2023, the state treasurer must notify
9 the department monthly of the amount of revenue in the taxpayer
10 fairness account.

11 (b)(i) Beginning, October 1, 2023, and each subsequent October
12 1st, the department must calculate a reduction in the state sales and
13 use tax rate provided in RCW 82.08.020 that would provide a reduction
14 in state revenues collected by the state sales and use tax for the
15 following calendar year that would be equal to the amount of revenue
16 in the taxpayer fairness account as of October 1st of the current
17 year.

18 (ii) In calculating the rate reduction for the upcoming calendar
19 year, the department must round the state sales and use tax rate to
20 the nearest 100th of one percent and the estimated revenue reduction
21 must be within \$100,000 of the available balance in the taxpayer
22 fairness account on October 1st of the current calendar year.

23 (iii) Any reduction in the state sales and use tax rate made
24 pursuant to this section must be effective January 1st through
25 December 31st of the tax year.

26 (iv) The department shall publish the sales and use tax rate by
27 December 1, 2023, and each subsequent December 1st, for the upcoming
28 calendar year. Any notice must clearly state if it is the rate
29 provided in RCW 82.08.020 or if it is a new rate reduced by the
30 provisions of this section. The notice must also include the
31 percentage change between statutory rate, current rate if not the
32 statutory rate, and the new rate.

1 (c) The department must notify the state treasurer that a rate
2 reduction is being funded pursuant to this section, as well as the
3 estimated revenue reduction calculated in (b)(ii) of this subsection.
4 The state treasurer must transfer an amount equal to the estimated
5 revenue reduction calculated into the state general fund."

6 Renumber the remaining sections consecutively and correct any
7 internal references accordingly.

EFFECT: Removes the current distribution of tax revenues to the Education Legacy Trust Account. Deposits all tax revenue into the newly created Taxpayer Fairness Account and provides a mechanism to use the tax proceeds from the Account to provide an annual state sales and use tax rate reduction.

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