
HOUSE BILL 2087

State of Washington

53rd Legislature

1993 Regular Session

By Representatives Cothern, Karahalios, Wang, Romero, G. Fisher, Rust, Holm, G. Cole, Eide, Dorn, Sommers, Heavey, L. Johnson, Anderson, Locke, Kessler, J. Kohl and Brown

Read first time 03/03/93. Referred to Committee on Revenue.

1 AN ACT Relating to revision of the tax system; and creating a new
2 section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that our current state
5 tax system is in need of restructuring. The current system, which was
6 designed over time in a piecemeal fashion, is due for an in-depth
7 analysis that takes a hard look at a system that has worked remarkably
8 well over the years, but that admittedly needs to be modernized. The
9 legislature intends to reform our current tax system to arrive at a
10 high quality state revenue system that: Is composed of a variety of
11 balanced sources and elements that complement each other; produces
12 revenue in a reliable manner; treats individuals equitably; is easy to
13 understand and administer; and is accountable to taxpayers.

14 (1) The department of revenue shall conduct an analysis of the
15 state tax system. The analysis shall focus on revisions to the current
16 system and alternative tax structures. The objective of the analysis
17 is to develop recommendations for comprehensive tax system reform. The
18 tax recommendations and suggested tax alternatives must meet the
19 following criteria:

1 (a) Adequately fund basic services for the state;
2 (b) Provide for progressive tax rates, address the regressiveness
3 of the current tax structure, with tax fairness as an outcome;
4 (c) Provide a stable revenue source that is not affected by or is
5 more resistant to business cycles than our current tax system;
6 (d) Be designed with built-in flexibility so that future revenue
7 needs are met;
8 (e) Improve the economic vitality of the state in relation to the
9 world economy;
10 (f) Attract and retain a wide range of small and large businesses
11 in the state; and
12 (g) Be easy to comply with and simple to administer.
13 (2)(a) The department of revenue shall submit an initial report to
14 the fiscal committees of the legislature by September 1, 1994.
15 (b) The house of representatives and senate shall form a ten-member
16 joint committee, comprised of five members from each chamber, with
17 three members from the largest caucus and two members from the next
18 largest caucus, to be appointed by the speaker of the house of
19 representatives and the president of the senate, respectively. The
20 joint committee shall review the initial report and recommend at least
21 two alternative tax structures, which must comply with the criteria
22 under subsection (1) of this section.
23 (c) The joint committee, with the assistance of the fiscal
24 committees of the house of representatives and the senate, shall,
25 within a six-month period, hold open public meetings throughout the
26 state on the alternative tax proposals.
27 (3) The governor and the leadership of the house of representatives
28 and the senate shall meet in December 1994 to choose one of the
29 recommendations of the joint committee to be introduced as legislation
30 during the 1995 session and referred to the people as a referendum in
31 the general election in November 1995.

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