**5096-S.E AMH CHAS H1588.2 - NOT FOR FLOOR USE**

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

By Representative Chase

**NOT ADOPTED 04/20/2021**

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

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

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

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

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

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

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

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

Renumber the remaining sections consecutively and correct any 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.