

# HOUSE BILL REPORT

## SHB 1514

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### As Reported By House Committee On:

Finance

**Title:** An act relating to reorganization of Titles 82 and 84 RCW.

**Brief Description:** Directing the department of revenue to prepare legislation to reorganize Titles 82 and 84 RCW.

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Hymes, Dickerson, Costa, D. Schmidt, Hargrove, Romero, Poulsen, B. Thomas, Regala, R. Fisher, Benton, Wolfe, Ogden and Conway).

### Brief History:

#### Committee Activity:

Finance: 1/11/96, 1/25/96 [DP2S].

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## HOUSE COMMITTEE ON FINANCE

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 10 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Boldt, Vice Chairman; Morris, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Hymes; Mulliken; Schoesler; Sheldon and Van Luven.

**Staff:** Bob Longman (786-7139).

**Background:** Many tax statutes are difficult to read.

**Summary of Second Substitute Bill:** The Department of Revenue is directed to prepare a plan for reorganization and rewriting of the state tax laws. The purpose of the rewriting is to make the laws easy to read and understand. The department's report will include a proposed schedule, sample of rewritten sections, discussions of likely judicial effects, and reports of other states that have performed similar services. The department will provide copies of the draft report and final report to the Legislature and the public for comment.

**Second Substitute Bill Compared to Substitute Bill:** The second substitute bill requires the department to prepare a report rather than prepare legislation that reorganizes and rewrites the tax code.

**Appropriation:** None.

**Fiscal Note:** Requested on January 11, 1996.

**Effective Date of Second Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Simplifying the tax code and making it clear will save costs for both the Department of Revenue and the taxpayers. Taxpayers want to pay the proper taxes but are often not able to understand the tax statutes. This results in hardships when taxpayers are audited and assessed for unexpected taxes.

**Testimony Against:** None.

**Testified:** Claire Hesselholt, Department of Revenue; and Lou Kuffel, Beckwith and Kuffel.