

HOUSE BILL REPORT

HJM 4001

As Passed House:

March 17, 1999

Brief Description: Petitioning Congress to reinstate income tax deduction for state sales tax.

Sponsors: Representatives O'Brien, Clements, Doumit, Ballasiotes, Lovick, Sheahan, Anderson, Wensman, Dickerson, DeBolt, Conway, Alexander, Tokuda, Grant, Skinner, Scott, McMorris, Regala, Wood, Constantine, Kessler, Stensen, Carrell, Bush, Kenney, Carlson, Barlean, Hurst, Lantz, Ogden, Mitchell, Campbell, H. Sommers, D. Schmidt, Dunn, Santos, Edmonds, Esser and McIntire.

Brief History:

Committee Activity:

Finance: 1/26/99, 2/16/99 [DP].

Floor Activity:

Passed House: 3/17/99, 96-0.

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| <h3>Brief Summary of Bill</h3> |
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| <ul style="list-style-type: none">· Asks Congress to restore the itemized deduction for sales taxes. |
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HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 10 members: Representatives Dunshee, Democratic Co-Chair; Thomas, Republican Co-Chair; Carrell, Republican Vice Chair; Reardon, Democratic Vice Chair; Cairnes; Conway; Cox; Pennington; Santos and Veloria.

Staff: Rick Peterson (786-7150).

Background:

In 1986, federal tax changes removed the itemized deduction for state and local sales taxes on federal income tax returns. State and local income taxes and property taxes continued to be allowable itemized deductions.

Summary of Bill:

Memorializes Congress to restore the itemized deduction for sales taxes.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: Washington citizens were able to deduct sales taxes on federal income tax returns until the 1986 federal tax changes eliminated the deduction. Now that the federal government has a surplus it is time for Congress to restore this deduction. The deduction for sales tax will help working families.

Testimony Against: None.

Testified: Representative O'Brien, prime sponsor.