By Representative Stokesbary

ADOPTED 03/29/2019

On page 39, line 24, increase the general fund-state appropriation for fiscal year 2020 by $50,000.

On page 39, line 35, correct the title

On page 40, after line 11, insert:

"(3)(a) $5,862,000 of the general fund-state appropriation for fiscal year 2020 and $5,142,000 of the general fund-state appropriation for fiscal year 2021 are provided solely for the department to implement 2019 revenue legislation.

(b) Of the amounts provided in this subsection, $50,000 of the general fund-state appropriation for fiscal year 2020 is provided solely for the department to analyze the impact of changes to the state tax code made during the 2019 legislative session. At a minimum, metrics must be developed to analyze the following impacts:

(i) With respect to any changes made to the real estate excise tax:

(A) The impact on rent charged for multifamily residential units, including existing units;

(B) The impact on development and accessibility of affordable and middle-class housing;

(C) If the changes have caused developers to create smaller units and the impact on population density; and

(D) If the changes have affected lease rates charged for and the availability of commercial office space, including the impact on Main Street businesses.

(ii) With respect to the enactment of a capital gains tax:
(A) If the revenue generated from the tax is a stable and reliable source of state revenue;
(B) The impact on small business owners, including their ability to retire; and
(C) If the tax has had an effect on the investment decisions made by Washingtonians.

(iii) With respect to any changes made to the business and occupation tax:
(A) The impact on the affordability and availability of primary care physicians and health care providers in communities across the state, including in rural areas;
(B) The impact on the availability of low-cost or pro-bono legal services for low- and middle-income Washingtonians and how that impacts access to justice;
(C) The impact on small businesses subject to any increase to the business and occupation tax rate, including their ability to hire new employees in family wage jobs.

(iv) With respect to modifications made to the nonresident sales and use tax exemption:
(A) The impact on the sales and use tax collections and overall economies of border counties and cities; and
(B) The economic impact on Washington businesses, including small and family-owned businesses.

(c) If the metrics as outlined in (3)(b) are not developed by January 1, 2020, the amounts provided in this subsection shall lapse."

EFFECT: Provides, of amounts in underlying appropriation, $10,954,000 solely for implementing 2019 revenue legislation. Provides an additional $50,000 General Fund-State to the Department of Revenue to establish metrics to analyze the impacts of changes to the tax code as a result of the 2019 revenue legislation. Conditions the appropriations provided for the implementation of the 2019 revenue legislation on the development of these metrics by January 1, 2020.

FISCAL IMPACT: Increases General Fund - State by $50,000.