

**SHB 2221** - H AMD

By Representative McIntire

1 On page 6, after line 20, insert:

2 "NEW SECTION. Sec. 3. A new section is added to chapter 82.32  
3 to read as follows:

4 (1) The legislature finds that accountability and effectiveness  
5 are important aspects of setting tax policy. In order to make  
6 policy choices regarding the best use of limited state resources  
7 the legislature needs information on how a tax incentive is used.

8 (2) Each person claiming a tax exemption under section one of  
9 this act shall report information to the department by filing a  
10 complete annual survey. The survey is due by March 31st of the year  
11 following any calendar year in which a tax exemption under section  
12 one of this act is taken. The survey shall include the amount of  
13 tax exemption taken. The survey shall also include the following  
14 information for employment positions in Washington:

15 (a) The number of total employment positions;

16 (b) Full-time, part-time, and temporary employment positions as  
17 a percent of total employment;

18 (c) The number of employment positions according to the  
19 following wage bands: Less than thirty thousand dollars; thirty  
20 thousand dollars or greater, but less than sixty thousand dollars;  
21 and sixty thousand dollars or greater. A wage band containing fewer  
22 than three individuals may be combined with another wage band; and

23 (d) The number of employment positions that have  
24 employer-provided medical, dental, and retirement benefits, by each  
25 of the wage bands.

26 (e) The first survey filed under this subsection shall also  
27 include information for the twelve-month period immediately before  
28 first use of a tax incentive.

29 (3) The department may request additional information necessary  
30 to measure the results of the exemption program, to be submitted at  
31 the same time as the survey.

1 (4) All information collected under this subsection, except the  
2 amount of the tax exemption taken, is deemed taxpayer information  
3 under RCW 82.32.330. Information on the amount of tax exemption  
4 taken is not subject to the confidentiality provisions of RCW  
5 82.32.330.

6 (5) If a person fails to submit an annual survey under  
7 subsection (2) of this section by the due date of the report, the  
8 department shall declare the amount of taxes exempted for the  
9 previous calendar year to be immediately due and payable. The  
10 department shall assess interest, but not penalties, on the amounts  
11 due under this section. The amount due shall be calculated using a  
12 rate of 0.138 percent. The interest shall be assessed at the rate  
13 provided for delinquent taxes under this chapter, retroactively to  
14 the date the exemption was claimed, and shall accrue until the  
15 taxes for which the exemption was claimed are repaid. This  
16 information is not subject to the confidentiality provision of RCW  
17 82.32.330.

18 (6) The department shall use the information from this section  
19 to prepare summary descriptive statistics by category. No fewer  
20 than three taxpayers shall be included in any category. The  
21 department shall report these statistics to the legislature each  
22 year by September 1st.

23 (7) The department shall study the tax exemption authorized in  
24 section one of this act. The department shall submit a report to  
25 the finance committee of the house of representatives and the ways  
26 and means committee of the senate by December 1, 2011. The report  
27 shall measure the effect of the exemption on job creation, job  
28 retention, company growth, the movement of firms or the  
29 consolidation of firms' operations into the state, and such other  
30 factors as the department selects."

31 On page 17, line 29, after "sections" "strike "1 and 2" and  
32 insert "1, 2, and 3"

33 Renumber the sections consecutively and correct any internal  
34 references accordingly.

**EFFECT:** Requires taxpayers using the exemption to provide an annual survey with information about the amount of exemption used and jobs. Directs the Department of Revenue to study the effect of the exemption and report by December 1, 2011.