**2157-S2 AMH ORCU H3067.1 - NOT FOR FLOOR USE**

**2SHB 2157** - H AMD **789**

By Representative Orcutt

**NOT CONSIDERED 12/23/2019**

On page 33, after line 18, insert the following:

**"Part VII**

**Tax Increase Performance Measures**

NEW SECTION. **Sec.**  A new section is added to chapter 82.32 RCW to read as follows:

(1)(a) Except as otherwise provided in this section, every new tax imposed expires on the first day of the calendar year that is subsequent to the calendar year that is ten years from the effective date of the new tax imposed. With respect to any new property tax, the tax does not apply to taxes levied for collection beginning in the calendar year that is subsequent to the calendar year that is ten years from the effective date of the tax preference.

(b) A future amendment that expands a tax imposed does not extend the tax beyond the period provided in this subsection unless an extension is expressly and unambiguously stated in the amendment.

(2) Subsection (1) of this section does not apply if legislation imposing a new tax includes an expiration date for the new tax imposed.

(3) Subsection (1) of this section does not apply to any existing tax imposed that is amended to clarify an ambiguity or correct a technical inconsistency. Future enacted legislation intended to make such clarifications or corrections must explicitly indicate this intent.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "New tax imposed" means a tax that initially takes effect after August 1, 2019, or a tax in effect as of August 1, 2019, that is expanded or extended after August 1, 2019, even if the expanding or extending amendment includes any other change to the tax.

(b) "Tax" means any tax levied pursuant to this title and title 84 RCW.

(5) The department must provide written notice to the office of the code reviser of a ten-year expiration date required under this section for a new tax imposed.

NEW SECTION. **Sec.**  A new section is added to chapter 82.32 RCW to read as follows:

(1) As provided in this section, every bill enacting a new tax must include a tax performance statement, unless the legislation enacting the new tax contains an explicit exemption from the requirements of this section.

(2) A tax performance statement must state the legislative purpose for the new tax. The tax performance statement must indicate one or more of the following general categories, by reference to the applicable category specified in this subsection, as the legislative purpose of the new tax:

(a) Tax intended to induce certain designated behavior by taxpayers;

(b) Tax intended to address industry inequities;

(c) Tax intended to fund specific policies or programs;

(d) Tax intended to reduce structural inefficiencies in the tax structure;

(e) A general purpose not identified in (a) through (d) of this subsection.

(3) In addition to identifying the general legislative purpose of the new tax imposed under subsection (2) of this section, the tax performance statement must provide additional detailed information regarding the legislative purpose of the new tax imposed.

(4) A new tax performance statement must specify clear, relevant, and ascertainable metrics and data requirements that allow the joint legislative audit and review committee and the legislature to measure the effectiveness of the new tax imposed in achieving the purpose designated under subsection (2) of this section."

Renumber the remaining part and sections consecutively, correct any internal references accordingly, and correct the title.

EFFECT: Creates a new tax performance statement requirement and imposes an automatic 10-year expiration for a new tax.