
HOUSE BILL 2219

State of Washington 52nd Legislature 1991 1st Special Session

By Representatives Nelson, Wang, Heavey, Van Luven, Cole, Franklin, Prentice, Valle, Brekke and Anderson.

Read first time June 14, 1991. Referred to Committee on Revenue.

1 AN ACT Relating to termination of tax preferences; creating new
2 sections; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature recognizes that tax
5 preferences are enacted by the legislature to meet objectives that are
6 determined to be in the public interest. The legislature finds,
7 however, that some tax preferences may not be efficient or equitable
8 tools for the achievement of current legislative objectives.

9 NEW SECTION. **Sec. 2.** As used in this act, "tax preference"
10 means an exemption, exclusion, or deduction from the base of a state
11 tax; a credit against a state tax; a deferral of a state tax; or a
12 preferential state tax rate.

1 NEW SECTION. **Sec. 3.** (1) The legislative budget committee
2 shall review each tax preference for possible termination. The review
3 shall be completed and a report prepared on or before December 30,
4 1991. In its report, the committee shall rank tax preferences
5 according to appropriate criteria, including but not limited to:

6 (a) Public policy objectives that might provide a justification for
7 the tax preference.

8 (b) Evidence that the existence of the tax preference has
9 contributed to the achievement of any public policy objectives.

10 (c) Fiscal impacts of the tax preference, including past impacts
11 and expected future impacts if it is not terminated.

12 (d) The extent to which termination of the tax preference would
13 affect the distribution of liability for payment of state taxes.

14 (2) The report shall include draft legislation that provides
15 termination of tax preferences with a combined estimated biennial
16 fiscal impact of at least five hundred million dollars. The committee
17 shall select tax preferences for termination based on criteria under
18 subsection (1) of this section.

19 (3) Upon completion of its report, the legislative budget committee
20 shall transmit copies of the report to all members of the legislature,
21 the governor, the department of revenue, and the state library.

22 NEW SECTION. **Sec. 4.** Following receipt of the report from the
23 legislative budget committee, the ways and means committee of the
24 senate and the revenue committee of the house of representatives shall
25 jointly hold a public hearing to consider the final report and draft
26 legislation.

27 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and shall take
2 effect immediately.