

2 **HB 1359** - S AMD 312

3 By Senators McDonald and Snyder

4 ADOPTED 4/14/95

5 On page 13, line 17, before "The" insert "(1)"

6 On page 13, after line 18, insert the following:

7 "(2)(a) The department shall convene the cigarette tax and revenue
8 loss advisory committee. The advisory committee shall consist of the
9 following members:

10 (i) Two members recommended by the Washington state association of
11 neighborhood stores, appointed by the speaker of the house of
12 representatives and the majority leader of the senate;

13 (ii) One member recommended by the Korean-American grocers
14 association, appointed by the speaker of the house of representatives
15 and the majority leader of the senate;

16 (iii) One wholesaler of tobacco products, appointed by the speaker
17 of the house of representatives and the majority leader of the senate;

18 (iv) One distributor of tobacco products, appointed by the speaker
19 of the house of representatives and the majority leader of the senate;

20 (v) The director of the department of revenue or the director's
21 designee;

22 (vi) A representative of the Washington state liquor control board;

23 (vii) Four representatives of the senate committee on ways and
24 means;

25 (viii) Four representatives of the house of representatives
26 committee on finance; and

27 (ix) The governor or the governor's designee.

28 (b) Nonlegislative members may receive reimbursement from the
29 governor's office for travel under RCW 43.03.050 and 43.03.060.
30 Legislative members may be reimbursed under RCW 41.04.300.

31 (c)(i) The advisory committee shall review, analyze, and report all
32 cigarette tax losses determined from the best evidence and analytical
33 techniques available to have been experienced by the state of
34 Washington due to cross border sales, Indian sales, casual and
35 organized bootlegging or smuggling, and sales on military reservations.
36 This report must cover the period from January 1, 1992, through

1 December 1, 1995. This report must be made to the appropriate
2 committees of the legislature by January 15, 1996.

3 (ii) The report must quantify cigarette tax losses attributable to
4 each of the categories enumerated in (c)(i) of this subsection by year
5 and the total loss of revenue experienced by the state in each year.
6 In a year during which the cigarette tax was increased, the losses must
7 be broken down to reveal revenue losses during the year before the
8 increase and revenue losses during the year after the increase.

9 (iii) The report must state the sources of information used to make
10 estimates of revenue loss in each year and the methodology used to
11 convert such information into estimates of revenue lost. If
12 assumptions are required to be made in developing these estimates, the
13 assumptions must be clearly stated and justified in the report. If a
14 determination is made not to utilize certain available information that
15 might be probative of revenue losses, the omission must be noted and
16 the rationale for its omission clearly stated.

17 (iv) In addition to establishing from the best information
18 available the amount of cigarette revenue lost in each year, the report
19 must include an enumeration and analysis of the underlying reasons for
20 such losses, and a narrative summary accurately and objectively setting
21 forth the findings embodied in the report.

22 (d) The advisory committee may utilize the staff of the department,
23 the Washington state liquor control board, the senate committee on ways
24 and means, and the house of representatives committee on finance for
25 the purpose of carrying out this subsection."

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