

2 HB 1359 - S AMD - 420

3 By Senators Snyder and McDonald

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

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

6 "(2) The department shall convene the cigarette tax and revenue
7 loss advisory committee.

8 (a) The advisory committee shall consist of the following members:

9 (i) Two members from the convenience store industry, appointed by
10 the speaker of the house of representatives and the majority leader of
11 the senate;

12 (ii) Two members representing federally recognized Indian tribes,
13 one appointed by the tribes contained within eastern Washington and one
14 appointed by the tribes contained within western Washington;

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

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

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

21 (vi) Four members of the senate, two from each of the largest
22 caucuses, and on the senate committee on ways and means, appointed by
23 the president of the senate;

24 (vii) Four members of the house of representatives, two from each
25 of the largest caucuses, and at least one on the house committee on
26 finance and at least one on the house committee on trade and economic
27 development, appointed by the speaker of the house of representatives;

28 (viii) the governor or the governor's designee.

29 (b) The advisory committee may enlist the assistance of
30 representatives of local government, and tax policy experts from the
31 academic, legal, tribal, and business communities.

32 (c) Nonlegislative members may receive reimbursement from the
33 governor's office for travel pursuant to RCW 43.03.050 and 43.03.060.
34 Legislative members may be reimbursed pursuant to RCW 41.04.300.

1 (d) The advisory committee shall conduct a study of current state
2 law as it applies to the unlawful possession, purchase, sale and use of
3 unstamped and untaxed cigarettes on Indian reservations by nontribal
4 members. The study shall include, but not be limited to the following:

5 (i) A review and analysis of all lost cigarette tax revenue,
6 determined from the best evidence and analytical techniques available,
7 due to cross border sales, Indian sales, casual and organized
8 bootlegging or smuggling, and sales on military reservations including
9 but not limited to the period beginning January 1, 1992, and ending
10 December 1, 1995.

11 (ii) An analysis quantifying losses in cigarette tax revenue
12 attributable to each of the categories enumerated in (d) (i) of this
13 subsection by fiscal year and the total lost revenue to the state in
14 each fiscal year. In any fiscal year during which the cigarette tax is
15 increased, the losses must be analyzed to reveal revenue losses during
16 the previous fiscal year and succeeding fiscal year.

17 (iii) Sources of information used to make estimates of revenue loss
18 in each fiscal year and the methodology used to convert such
19 information into estimates of revenue lost. If assumptions are
20 required to be made in developing these estimates, the assumptions
21 shall be clearly stated and justified. If a determination is made not
22 to utilize certain available information that might be probative of
23 revenue losses, the omission must be noted and the rationale for its
24 omission clearly stated.

25 (iv) An analysis of the underlying reasons for revenue loss.

26 (v) An analysis on the feasibility of negotiating cooperative
27 agreements between the state of Washington and federally recognized
28 Indian tribes within its borders.

29 (vi) An assessment of the effect of tax rates on cigarette
30 compliance and to identify the state's best opportunity to ensure
31 compliance, and reduce conflict.

32 (e) The advisory committee may utilize the staff of the Governor's
33 office on Indian Affairs, the house of representatives office of
34 program research, senate committee services and research services
35 provided to the legislature by the department of revenue pursuant to
36 RCW 82.01.060(4).

1 (f) The advisory committee shall submit its final report to the
2 legislature by December 31, 1995."

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