
Finance Committee

HB 1827

Brief Description: Requiring a tax expenditure report as part of the biennial budget documents.

Sponsors: Representatives Santos, Hasegawa, Campbell, Kenney, McDermott, Hunt, Appleton, Haler, Blake, Hankins, Green, Upthegrove, Williams, Simpson, McIntire, Ormsby and Chase.

Brief Summary of Bill

- Requires a tax expenditures report to be produced every two years as part of the Governor's budget.

Hearing Date: 2/13/07

Staff: Rick Peterson (786-7150).

Background:

The Department of Revenue (DOR) produces a listing of tax exemptions every four years. The most recent report was published in 2004 and the next report is due in 2008. According to the 2004 report there are more than 500 tax exemptions. The term "exemption" includes tax exemptions, exclusions, deductions, credits, deferrals, and preferential rates. These are also sometimes referred to as "tax preferences." The tax exemptions report describes each exemption, the year of enactment, the purpose of the exemption (or the DOR's best estimate of the purpose), an indication of primary beneficiaries, and estimated fiscal impact.

Summary of Bill:

A tax expenditures report is created as part of the Governor's biennial budget documents. The report will include the listing of tax exemptions prepared by the OR and will categorize each exemption according to the program or function it supports. The Governor will make a recommendation on whether each exemption scheduled to terminate in the next biennium should be allowed to terminate, continue, or continue with modification.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Requested on February 10, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.