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**SENATE BILL 5416**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Senator Chase

AN ACT Relating to repealing the tax exemption on intangible property to provide funding for essential government services; creating new sections; and repealing RCW 84.36.070.

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

NEW SECTION. **Sec.**  The legislature finds that long-term economic trends indicate that intangible property income is growing while earned income is falling. The legislature, under previously enacted law, allowed exemptions for intangible property from the state levy. However, this exemption has led to a shift of the burden of state taxes to owners of tangible property which is growing heavier over time. Thus, in light of the long-term economic trend and the current downturn in state revenues, the legislature concludes that the tax exemption for intangible personal property is no longer justified. At a time when virtually every area of the budget is being reduced by substantial amounts, those that are receiving tax exemptions, such as the owners of intangible property, must also bear some of the burden to balance the budget.

NEW SECTION. **Sec.**  RCW 84.36.070 (Intangible personal property—Appraisal) and 1997 c 181 s 1, 1974 ex.s. c 118 s 1, & 1961 c 15 s 84.36.070 are each repealed.

NEW SECTION. **Sec.**  This act applies to taxes levied for collection in 2018 and thereafter.

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