

Appendix A

Authorizing Statute for the Tax Exemption Study

RCW 43.06.400

Listing of reduction in revenues from tax exemptions to be submitted to legislature by department of revenue — Periodic review and submission of recommendations to legislature by governor. (Effective July 1, 2015.)

(1) Beginning in January 1984, and in January of every fourth year thereafter, the department of revenue must submit to the legislature prior to the regular session a listing of the amount of reduction for the current and next biennium in the revenues of the state or the revenues of local government collected by the state as a result of tax exemptions. The listing must include an estimate of the revenue lost from the tax exemption, the purpose of the tax exemption, the persons, organizations, or parts of the population which benefit from the tax exemption, and whether or not the tax exemption conflicts with another state program. The listing must include but not be limited to the following revenue sources:

- (a) Real and personal property tax exemptions under Title [84](#) RCW;
- (b) Business and occupation tax exemptions, deductions, and credits under chapter [82.04](#) RCW;
- (c) Retail sales and use tax exemptions under chapters [82.08](#), [82.12](#), and [82.14](#) RCW;
- (d) Public utility tax exemptions and deductions under chapter [82.16](#) RCW;
- (e) Food fish and shellfish tax exemptions under chapter [82.27](#) RCW;
- (f) Leasehold excise tax exemptions under chapter [82.29A](#) RCW;
- (g) Motor vehicle and special fuel tax exemptions and refunds under chapter [82.38](#) RCW;
- (h) Aircraft fuel tax exemptions under chapter [82.42](#) RCW;
- (i) Motor vehicle excise tax exclusions under chapter [82.44](#) RCW; and
- (j) Insurance premiums tax exemptions under chapter [48.14](#) RCW.

(2) The department of revenue must prepare the listing required by this section with the assistance of any other agencies or departments as may be required.

(3) The department of revenue must present the listing to the ways and means committees of each house in public hearings.

(4) Beginning in January 1984, and every four years thereafter the governor is requested to review the report from the department of revenue and may submit recommendations to the legislature with respect to the repeal or modification of any tax exemption. The ways and means committees of each house and the appropriate standing committee of each house must hold public hearings and take appropriate action on the recommendations submitted by the governor.

(5) As used in this section, "tax exemption" means an exemption, exclusion, or deduction from the base of a tax; a credit against a tax; a deferral of a tax; or a preferential tax rate.

(6) For purposes of the listing due in January 2012, the department of revenue does not have to prepare or update the listing with respect to any tax exemption that would not be likely to increase state revenue if the exemption was repealed or otherwise eliminated.

[2013 c 225 § 605; 2011 1st sp.s. c 20 § 201; 1999 c 372 § 5; 1987 c 472 § 16; 1983 2nd ex.s. c 3 § 60.]