

# TASK FORCE ON TAX PREFERENCE REFORM

Marty Brown, Office of Financial Management  
Amber Carter, Association of Washington Business  
Paul Guppy, Washington Policy Center  
Ross Hunter, State Representative  
Troy Kelley, State Representative, JLARC Chair  
Bill Longbrake, Governor's Council of Economic Advisors

James L. McIntire, State Treasurer, *Chair*  
Andy Nicholas, Washington State Budget & Policy Center  
Ed Orcutt, State Representative  
Phil Rockefeller, State Senator  
Joseph Zarelli, State Senator, *Vice Chair*

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August 31, 2010  
Meeting Minutes

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## TASK FORCE ON TAX PREFERENCE REFORM

### Members Present:

James McIntire, State Treasurer, *Chair*  
Representative Troy Kelley, Chair of JLARC  
Marty Brown, Director, OFM  
Representative Ross Hunter  
Representative Ed Orcutt  
Senator Joseph Zarelli, *Vice Chair*  
Senator Phil Rockefeller  
Paul Guppy, Washington Policy Center  
Bill Longbrake, Governor's Council of Economic Advisors  
Andy Nicholas, Washington State Budget & Policy Center

### Members Absent:

Amber Carter, Association of Washington Business

### Staff:

Ruta Fanning, Legislative Auditor  
Keenan Konopaski, Audit Coordinator  
Cindy Evans, Assistant Attorney General  
Peter Heineccius, Research Analyst  
Dana Lynn, Research Analyst  
Mary Welsh, Research Analyst

### Welcome

Chair McIntire called the meeting to order at 9:05 a.m. and welcomed those present.

He introduced new Task Force member, Andy Nicholas, of the Washington State Budget & Policy Center.

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## Approval of Minutes

MOTION: A motion was made to approve the minutes of the August 18 Task Force meeting. The motion was seconded and approved by the Task Force.

## Practices of Other States: Treatment of Tax Preferences in Budgeting

Mary Welsh, JLARC Research Analyst, gave a presentation on the extent to which other states incorporate tax preferences into budgeting processes.

## Practices of Other States: Revenue Fiscal Notes

Legislative Auditor Ruta Fanning gave a brief presentation on legislative bills previously proposed to modify the fiscal note process, and their outcomes.

Don Gutmann, Department of Revenue, presented information on revenue fiscal note processes in other states.

Chair McIntire invited Dr. Arun Raha, Executive Director of the Economic and Revenue Forecast Council, to comment regarding inclusion of Forecast Council staff in the fiscal note process.

## **Discussion**

The Task Force discussed with Dr. Raha the feasibility of involving Forecast Council staff in the fiscal note process. The discussion focused on necessary staff resources and the types of fiscal notes that may merit Forecast Council staff involvement.

## Governor's Consideration of Tax Preferences

Marty Brown gave an overview of how the Governor's Office considers policy proposals to renew, terminate, or enact tax preferences.

## Taxpayer Accountability Surveys and Reports

Dana Lynn, JLARC Research Analyst, briefed the Task Force on current statutory requirements for taxpayer accountability reporting.

Stuart Thronson, Department of Revenue (DOR), gave a presentation on how DOR collects, verifies, and reports accountability information received from taxpayers.

## Legislative Intent and Intended Legislative Outcomes

Kristen Fraser, Office of Program Research, gave a presentation on the differences between language for legislative intent compared to intended outcomes for tax preferences.

## Mechanisms for Establishing or Ending Effective Dates

Diane Criswell, Senate Committee Services, and Jennifer Arnold, Code Reviser's Office, presented information on statutory mechanisms for establishing or ending the effective dates of tax preferences.

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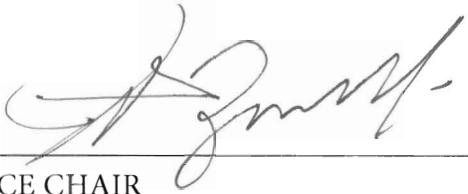
### Next Steps

Ruta Fanning discussed the next steps for the Task Force for the remaining schedule. She reminded members to submit proposed recommendations to JLARC staff in writing prior to the September 20 meeting.

### **Public Comment**

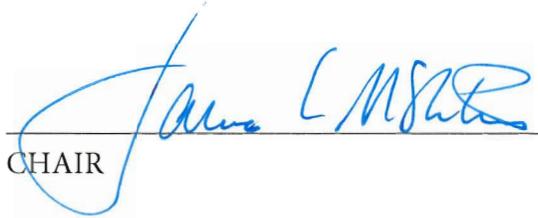
No members of the public signed up to comment.

The meeting was adjourned at 12:00 p.m.



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VICE CHAIR



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CHAIR