

Draft for Discussion – Prepared by Commissioner Longbrake 5/16/14

2015 Tax Preference for Full Review (15 studies and 5 alternates)

Aluminum Group

1. Aluminum Smelter Property Taxes (B&O Tax)#31 expires in 2017
2. Aluminum Manufacturing (B&O Tax)#32 expires in 2017
3. Aluminum Smelter Use of Natural Gas (Use Tax)#33 expires in 2017
4. Aluminum Smelter Purchases (Sales and Use Tax)#34 expires in 2017

Note: two other preferences in this group (#35, #36, and #37) – fewer than three beneficiaries, so no taxpayer savings estimates are available; no expiration date

Agricultural Group

5. Farm Machinery Replacement Parts (Sales and Use Tax)#2
6. Fuel Used on Farms (Sales and Use Tax)#3
7. Horticultural Services for Farmers (Sales and Use Tax)#4
8. Grain and Unprocessed Milk Wholesaling (B&O Tax)#5
9. Farm Property (Estate Tax)#6
10. Commercially Grown Fish or Shellfish (Enhanced Food Fish Tax)#7
11. Livestock Medicine (Sales and Use Tax)#8

Note: do not include #1 because it is a property tax and its termination would result in reallocation of tax savings to other taxpayers.

Other Preferences

12. Interest on Real Estate Loans (B&O Tax)#39 Leg mandated analysis in 2015
13. Warehouse Expansion (Sales and Use Tax)#41
14. Motion Picture Program Contributions (B&O Tax)#42 expires in 2017
15. Salmon Habitat (Timber Tax)#43

Alternates

16. Public Facilities Districts (Leasehold Excise Tax)#44
17. Accommodation Sales of Automobiles (B&O Tax)#45
18. Gas Used to Heat Chicken Houses (Sales and Use Tax)#9
19. Leased Irrigation Equipment (Sales and Use Tax)#10
20. Shipping Farm Products to Port (Public Utilities Tax)#11
21. Trust Accounts (B&O Tax)#47
22. Livestock Nutrient Management Equipment (Sales and Use Tax)#13

Note: do not include #38 and #46 because these involve property taxes and their termination would result in reallocation of tax savings to other taxpayers. Do not include #40 because nonprofits are beneficiaries.