



Citizen Commission for Performance Measurement of Tax Preferences

William A. Longbrake, *Chair*
Vice Chair, Washington Mutual, Inc.

Charles Hasse
President, Washington Education Association

Brian Sonntag
State Auditor

Lily Kahng, *Vice Chair*
Associate Professor of Law
Seattle University

Carolyn Logue
State Director,
National Federation of Independent Business

Richard S. Davis
Vice President of Communications,
Association of Washington Business

Representative Ross Hunter
Chair, Joint Legislative Audit
and Review Committee

Citizen Commission for Performance Measurement of Tax Preferences Meeting Minutes

January 19, 2007
Tyee Event Center, Chinook Room
Tumwater, WA

Members Present:

Richard S. Davis
Charles Hasse
Lily Kahng
Carolyn Logue
William A. Longbrake

Absent:

Representative Ross Hunter
Brian Sonntag

Staff:

Ruta Fanning
Keenan Konopaski
Gary Benson
Lizbeth Martin-Mahar
Lisa Hennessy

WELCOME

Commission Chair Bill Longbrake welcomed all attending and called the meeting to order at 1:10 p.m.

APPROVAL OF MEETING MINUTES

MOTION: A motion was made to approve the December 15, 2006, meeting minutes.
The motion was seconded and carried unanimously.

STAFF REPORTS

Ruta Fanning reported that she had recently presented an overview of the Commission and provisions of EHB 1069 to the Senate Economic Development, Trade & Management Committee. A similar presentation will be given to the House Finance Committee on January 24.

Ms. Fanning notified the Commission that the Executive Ethics Board had approved the draft Conflict of Interest Policy. The Commission agreed to adopt the policy as approved by the Executive Ethics Board.

DRAFT 10-YEAR TAX PREFERENCE REVIEW SCHEDULE

Gary Benson presented a draft 10-Year Tax Preference Review Schedule. The draft review schedule was divided into three lists:

- A – Tax Preferences Not Subject to Review,
- B – Tax Preferences Subject to Expedited Review, and
- C – Tax Preferences Subject to Full Review.

Mr. Benson offered recommendations for items on draft List B – Tax Preferences Subject to Expedited Review:

Tax Preference Title/Description	Staff Recommendation
Waiver of delinquency penalties, Y2K:	remove from all lists
B&O tax reduction for beef processors:	move to List C – Full Review OR remove from all lists
Janitorial services:	move to List C – Full Review
Excluded motor vehicles:	remove from all lists
Travel trailers and campers:	remove from all lists
Ride-sharing vehicles:	remove from all lists
Rental cars:	remove from all lists
Taipei Economic/Cultural vehicles:	remove from all lists
Personal-use vehicles, \$30 credit:	remove from all lists
Local sales tax rate cap for lodging:	remove from all lists

Commission Discussion

The Commission discussed the draft lists and staff recommendations. One point of discussion was the B&O tax reduction for beef processors, subject to a special review because of its impending expiration. The Commission agreed that, while the study is on an expedited timeline, it does encompass all objectives of a full review, and should be included in List C – Tax Preferences Subject to Full Review.

Commission Chair Longbrake asked for public comment on the draft 10-Year Review Schedule. No members of the public requested the opportunity to comment.

MOTION: A motion was made to approve all staff recommendations regarding items on List B – Tax Preferences Subject to Expedited Review, and to move the B&O tax reduction for beef processors to List C – Tax Preferences Subject to Full Review. The motion was seconded and carried unanimously.

MOTION: A motion was made to adopt List A, and Lists B and C as amended, to represent the 10-Year Tax Preference Review Schedule.
The motion was seconded and carried unanimously.

FOLLOW-UP ON PROPOSED SCOPE AND OBJECTIVE STATEMENTS FOR FULL AND EXPEDITED TAX PREFERENCE REVIEWS

Gary Benson presented the Proposed Scope and Objectives for 2007 Full and Expedited Tax Preference Reviews. He indicated that the draft scope and objectives had been revised to reflect Commission discussion at the Dec. 15 meeting.

PUBLIC COMMENT

No members of the public requested an opportunity to comment at the meeting.

The meeting was adjourned at 2:00 p.m.