



Citizen Commission for Performance Measurement of Tax Preferences

William A. Longbrake,
Commission Chair

Lily Kahng, *Vice Chair*
Associate Professor of Law
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Washington Policy Center

Brian Sonntag
State Auditor

Senator Phil Rockefeller
Chair, Joint Legislative Audit
and Review Committee

Vacancy

Citizen Commission for Performance Measurement of Tax Preferences Meeting Minutes

September 5, 2008

John L. O'Brien Bldg., House Hearing Rm. B
Olympia, WA

Members Present:

Paul Guppy
Lily Kahng
William A. Longbrake
Sen. Phil Rockefeller

Members Absent:

Stephen Miller
Brian Sonntag

Staff:

Ruta Fanning	Keenan Konopaski
Curt Rogers	Gary Benson
Lizbeth Martin-Mahar	Cindy Evans
Stacia Hollar	Suzanne Kelly
Diane Morrill	Lisa Hennessy

WELCOME / INTRODUCTIONS

Commission Chair Bill Longbrake welcomed those in attendance and called the meeting to order at 1:20 p.m.

APPROVAL OF MEETING MINUTES

MOTION: A motion was made to approve the August 6, 2008, meeting minutes.
The motion was seconded and carried unanimously.

STAFF REPORTS

Ruta Fanning briefed the Commission on agency responses to the Preliminary 2008 Tax Preference Reviews and potential duplication of efforts regarding JLARC studies of tax preferences and studies performed by other agencies. She reported that the Department of Revenue is currently working on legislation to eliminate duplication of efforts.

Gary Benson updated the Commission on the K-12 property tax preference regarding reporting requirements of private schools. He clarified that private schools must submit statements regarding certain requirements to the Superintendent of Public Instruction (OSPI) only if the schools seek approval by OSPI. Approval by OSPI is not required for private schools to operate in the state. This reporting requirement is currently referenced inaccurately in the Preliminary Report and will be changed for the Final Report.

PUBLIC COMMENT ON 2008 TAX PREFERENCE REVIEWS

Chair Longbrake opened the meeting for public comment on the 2008 Tax Preference Reviews. Mark Allen, of the Washington State Association of Broadcasters, testified in support of maintaining a standard B&O tax credit for radio and TV broadcasting.

Commission Discussion

The Commission discussed the B&O tax exemption for radio and TV broadcasting.

Chair Longbrake recapped the Commission's role regarding the JLARC studies and recommendations. He pointed out that JLARC's recommendations stand; the Commission cannot change the reports, but may attach comments to them. He indicated the Commission would consider all comments prior to taking any action on the reports at the October meeting.

2009 TAX PREFERENCE REVIEW SCHEDULE

Gary Benson presented recommended changes to the 2009 Preliminary Review Schedule. Members discussed the review schedule and adopted the following motions:

MOTION: A motion was made that the Commission adopt the preliminary 2009 10-year tax preference review schedule discussed at the August 6th Commission meeting.

Motions were made to amend the 2009 review schedule as follows:

- a. To include the recommended adjustments to the schedule described in the September 5 memo to the Commission from JLARC staff; and
- b. That the Commission incorporate into the preliminary 10-year tax preference review schedule a new "expedited light" review process. This process will identify all of the tax preferences where preliminary analysis indicates that there are fiscal impacts of \$2M or less per biennium. These reviews will identify information on preferences from the Department of Revenue Tax Exemption Report, and allow the Commission an opportunity to comment on their continuation. Since these reviews will require minimal staff work, the staff is directed to re-adjust the 10-year schedule to even out the number of other expedited reviews to be performed each year from 2010 through 2016. The Commission will review the list of "expedited light" reviews each year, and determine if the circumstances for specific preferences merit conducting an expedited review in the upcoming year.

A motion was made to adopt the 2009 10-Year Tax Preference Review schedule as amended by the Commission.

All motions were seconded and carried unanimously.

PUBLIC COMMENT

No public signed up for comment.

The meeting was adjourned at 3:25 p.m.