

Citizen Commission for Performance Measurement of Tax Preferences



E-mail: lisa.hennessy@leg.wa.gov
www.citizen taxpref.wa.gov

William A. Longbrake, Chair
Governor's Council of Economic Advisors

Stephen B. Miller, Vice Chair
Washington Education Association

James Bobst
Pacific Fibre Products, Inc.

Ruta Fanning
Retired Legislative Auditor

Paul Guppy
Washington Policy Center

Non-voting Members:

Senator **Craig Pridemore**
Chair, Joint Legislative Audit
and Review Committee

Brian Sonntag
State Auditor

Citizen Commission for Performance Measurement of Tax Preferences Meeting Minutes

August 24, 2012
John A. Cherberg Bldg.,
Senate Hearing Rm. 3
Olympia, WA

Members Present:

William A. Longbrake	Stephen Miller
James Bobst	Ruta Fanning
Paul Guppy	Sen. Craig Pridemore

Members Absent:

Brian Sonntag

Staff:

Keenan Konopaski	John Woolley
Mary Welsh	Dana Lynn
Peter Heineccius	Suzanne Kelly
Eric Tietz	Stacia Hollar, AG's Office

WELCOME / INTRODUCTIONS

Keenan Konopaski, Legislative Auditor, welcomed those in attendance and called the meeting to order at 2:05 p.m.

Keenan Konopaski informed the Commission that Lily Kahng had stepped down as Commissioner. He then introduced Ruta Fanning, the new Commissioner appointed by the Senate Democratic Caucus.

Keenan Konopaski also introduced Stacia Hollar, the new assistant attorney general for the Commission, as well as Eric Tietz, a first year law student and intern working for JLARC on the tax preference reviews.

ELECTION OF OFFICERS

Keenan Konopaski asked for nominations for the office of Chair. Commissioner Guppy nominated Bill Longbrake.

MOTION: A motion was made to appoint Bill Longbrake as Chair of the Commission until June 30, 2014.

The motion was seconded and carried.

Citizen Commission for Performance Measurement of Tax Preferences

August 24, 2012

Page 2

Chair Longbrake asked for nominations for the office of Vice Chair. Commissioner Fanning nominated Stephen Miller.

MOTION: A motion was made to appoint Stephen Miller as Vice Chair of the Commission until June 30, 2014.

The motion was seconded and carried.

APPROVAL OF MEETING MINUTES

MOTION: A motion was made to approve the May 21, 2012, meeting minutes.

The motion was seconded and carried. Commissioner Fanning abstained from the vote, as she was not present at the May 21, 2012, meeting.

DEMONSTRATION OF TAX PREFERENCE COMMISSION WEBSITE

John Woolley, JLARC staff, gave an overview of the features available on the Citizen Commission website. Chair Longbrake asked staff to add a section on media reports about the Commission and whether staff can track traffic to the website. Staff agreed to pursue these features.

PEW RESEARCH CENTER PRESENTATION

Jeff Chapman of the Pew Center on the States gave a presentation of the Pew Center's report on states' efforts to review tax preferences. The Commission discussed the report and some approaches it recommends that might be used in Washington.

APPROVAL OF 10-YEAR TAX PREFERENCE REVIEW SCHEDULE / 2013 LIST OF REVIEWS

John Woolley presented the list of 21 preferences approved by the Commission at the May 21, 2012, meeting for JLARC review in 2013. Staff suggested to the Commission that they move the previously approved review of Customer-Generated Power (Public Utility Tax) to the 2016 review schedule due to a misstated expiration date. Staff also noted that one of the two preferences under consideration for 2013 review, Competitive Telephone Service (Sales and Use Tax), may be administrative in nature and suggested that the Commission may wish to schedule a different preference for a full JLARC review instead. For this alternative, staff suggested the preference for Prescription Drug Resellers (B&O Tax), which is currently scheduled for review in 2014, because it is a healthcare related preference with a significant fiscal impact.

MOTION: A motion was made to remove Customer-Generated Power (Public Utility Tax) from the 2013 review schedule identified at the May 2012 Commission meeting and reschedule it for review in 2016; and to adopt two additional preferences for full JLARC review in 2013: Kidney Dialysis Equipment (Sales and Use Tax) and Prescription Drug Resellers (B&O Tax)

The motion was seconded and carried.

MOTION: A motion was made to adopt the 2012 10-Year Schedule, as amended by the previous motion.

The motion was seconded and carried.

Citizen Commission for Performance Measurement of Tax Preferences

August 24, 2012

Page 3

PRESENTATION OF THE 2012 TAX PREFERENCE PERFORMANCE REVIEWS

John Woolley, Mary Welsh, Dana Lynn, and Peter Heineccius presented the 2012 Tax Preference Performance Reviews. The presentation focused on the 13 reviews with staff recommendations involving legislative review, clarification, or termination.

PUBLIC COMMENT

Chair Longbrake reminded the audience that the entire September 14 meeting was devoted to public testimony.

Michael Mitchell, representing the Washington Budget and Policy Center, provided public testimony in support of the use of sunset dates for tax preferences.

Lew McMurrin, representing the Washington Technology Industry Association, provided public testimony in support of the preferences for the high technology industry.

Amber Carter, representing the Association of Washington Business, provided public testimony in support of the preferences for the high technology industry.

With no further public comment Chair Longbrake adjourned the meeting at 5:11 p.m.