

From: Brewer, Gilbert (DOR)
Sent: Friday, August 29, 2008 2:25 PM
To: 'Prentice, Sen. Margarita'; 'Hunter, Rep. Ross'
Cc: Holmstrom, Cindi (DOR); Burnham, Shellie (DOR); DOR FN Carlson; 'Peterson, Rick'
Subject: Study of electronically delivered goods report

Dear Chair Prentice and Chair Hunter:

Attached please find a scanned copy of a letter from Director Cindi Holmstrom that was mailed to both of you today.

As you know, the 2007 budget bill (SHB 1128) included a proviso establishing a study on the taxation of electronically delivered goods. The proviso also established a 16-member advisory committee to assist the Department. Last year, the Department provided an interim report describing the study's efforts to that point. The proviso also directs the Department of Revenue to provide a final report to your committees by September 1, 2008.

The Study Committee reconvened after the close of the 2008 legislative session and has been working diligently to continue its efforts to understand the issues surrounding the taxation of electronically delivered products. Unfortunately, the scope and difficulty of the task precludes us from meeting the September 1st deadline for production of a final report. The attached letter is intended to serve as an interim substitute for the final report. The letter summarizes the Study Committee's activities to date, explains why the final report could not be produced at this time, and provides the Study Committee's future plans.

I apologize for the delay, but we want to be sure that we provide a high-quality product to your committees that will be useful in future deliberations on this complex issue. Please let me know if you have any questions. Thank you.



Digital Goods
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