STATE OF WASHINGTON
DEPARTMENT OF REVENUE
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January 26, 2012

TO: The Honorable Ross Hunter, Chair
House Ways and Means Committee

The Honorable Ed Murray, Chair
Senate Ways and Means Committee

FROM: Brad Flaherty, Director

SUBJECT: 2012 TAX EXEMPTION STUDY

12th Tax Exemption Study

This report is submitted to you and the members of the Ways and Means Committees pursuant to RCW 43.06.400. This edition is the twelfth in a series of tax exemption studies, starting with the first report in 1984.

Report addresses 452 of the 640 tax preferences

There are currently 640 tax preference items for major Washington state and local tax sources. However, because of an amendment to the authorizing statute in 2011 (Chapter 20, Section 201, 1st Special Session), this report only addresses 452 of the tax preferences in detail. The estimated savings in state and local taxes for taxpayers resulting from these preferences total $29.3 billion for the 2011-13 Biennium. The format provides:

- a description of the statutory provisions
- the purpose of the preference
- a categorical assignment
- the year of original enactment
- an indication of the primary beneficiaries
- whether the exemption presents a possible inconsistency with another state program
- the fiscal impacts in terms of savings for taxpayers for each year of the current biennium and the 2013-15 Biennium

Report only available electronically

In an effort to reduce the cost of producing this report, we are making this report available to all legislators, the staff of your committees, the Governor's Office, and other interested parties

electronically. The report will also be posted on the Department of Revenue website. Hard copy reports will not be available.

Questions

The study was prepared by analysts of the Research and Fiscal Analysis Division, under the direction of Kathy Oline, Assistant Director. Questions regarding this study may be directed to Ms. Oline at (360) 534-1534. We hope you will find the information to be useful.

cc: The Honorable Christine O. Gregoire, Governor