

Message sent to SST Mitigation ListServ June 11, 2012

Streamlined Sales Tax Mitigation 3.4% reduction for the 2011-13 Biennium

What is happening?

The Fiscal Year 2012 (ending June 30) fourth quarter streamlined sales tax (SST) mitigation payments will be reduced based on 2011 legislation. Fiscal Year 2012 payments are to be reduced by 3.4%. The payments received for the first three quarters of this year did not reflect the reduction; therefore, the fourth quarter payment will include the entire year's reduction for jurisdictions receiving a payment. For Fiscal Year 2013, the 3.4% reduction will be reflected in each quarterly payment.

Background

In 2011, the legislature reduced the mitigation payments by 3.4% for the 2011-2013 Biennium. RCW 82.14.500 was amended as follows:

(1)(a) In order to mitigate local sales tax revenue net losses as a result of the sourcing provisions of the streamlined sales and use tax agreement under this title, the state treasurer, on July 1, 2011, and each July 1st thereafter, must transfer into the streamlined sales and use tax mitigation account from the general fund the sum required to mitigate actual net losses as determined under this section.

(b) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred under (a) of this subsection must be reduced by 3.4 percent.

What is the impact to my jurisdiction?

Actual numbers are not available at this time; they will be available by June 22.

Next Steps

During the third week of June, data for the fourth quarter payments will be transmitted via secure message to local jurisdiction officials.

Annual Meeting Reminder

The annual SST Mitigation Advisory Committee meeting is scheduled for:

Date: June 27, 2012
Time: 10 a.m. to 12 p.m.
Location: Department of Revenue
1025 Union Ave, 4th Floor Conference Room
Olympia, WA 98501

Questions

Please contact Patti Wilson, Local Government Liaison
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