A Guide to

JLARC TAX PREFERENCE REVIEWS

WASHINGTON JLARC

AUGUST 2020

JLARC: THE LEGISLATURE'S AUDITOR

We give the Legislature accurate and unbiased answers to their questions

Reports are prepared independently by nonpartisan staff, in accordance with professional audit standards.

The Citizen Commission, composed of five citizens appointed by each caucus and the Governor, determines which preferences will be reviewed each year.

We have reviewed tax preferences since 2007

JLARC has reviewed 297 tax preferences, nearly half of all the state's tax preferences. Reviews cover many policy areas, including agriculture, economic development, and aerospace.

JLARC STAFF'S APPROACH TO THE TAX PREFERENCE REVIEWS

Statute directs JLARC staff to address the following key areas:

Public policy objectives
Is there documented purpose or intent for the preference? What evidence exists to show the preference has achieved the goals?

Beneficiaries
What entities are affected directly and indirectly by the preference? What are the estimated beneficiary savings?

Revenue and economic impacts
What are the impacts of the tax preference, including to the taxpayers and to the government?

Other states
Do other states have a similar tax preference?

Recommendations
The Legislative Auditor is required to recommend future legislative action for the preference, such as continue, clarify the objective, or allow to expire.

TAX PREFERENCE REVIEWS FOLLOW STANDARD PROCESS

MAY 2020
The Citizen Commission identifies which preferences to review in the following year.

JULY 2021
JLARC staff present preliminary findings to the JLARC committee.

AUGUST - OCTOBER 2021
The Citizen Commission considers the report, hears public testimony, and adds comments.

DECEMBER 2021
JLARC staff present the final report to the JLARC committee.

EARLY 2022
JLARC staff present the final report to the legislative fiscal committees.

FOR MORE INFORMATION

Visit the JLARC website at www.jlarc.leg.wa.gov
OR visit the Citizen Commission site at www.citizentaxpref.wa.gov

CONTACT

Keenan Konopaski, Legislative Auditor
360-786-5187 keenan.konopaski@leg.wa.gov