


JLARC

## Legislative Auditor's Report to the Legislature:

### Guidance for Drafting Performance Statements in Tax Preference Legislation

Keenan Konopaski, Legislative Auditor

Joint Legislative Audit & Review Committee  
January 7, 2014



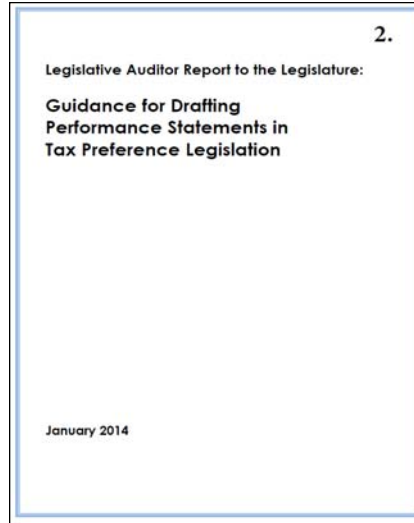
## 2013: Statute Now Requires Performance Statements for All New Tax Preferences

- 2013 Assignment to Legislative Auditor:
  - ✓ Recommend how to construct performance statements to better assist JLARC's tax preference evaluations

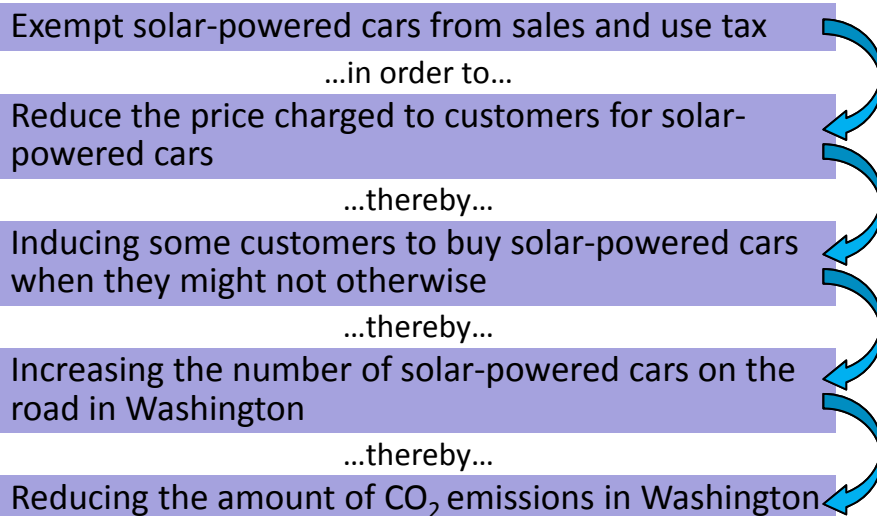
CERTIFICATION OF ENROLLMENT <b>ENROLED SUBSTITUTE SENATE BILL 5882</b>	
Chapter 13, Laws of 2013 63rd Legislature 2013 2nd Special Session	
TAX PREFERENCES	
EFFECTIVE DATE: 10/01/13 - Except section 203, which becomes effective 07/01/13, Parts III, X, XV, and XVI, which become effective 07/01/13, and Part XI, which becomes effective 01/01/14.	
Passed by the Senate June 28, 2013 YEAS 45 NAYS 5 _____ BRAD OWEN President of the Senate	CERTIFICATE I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is <b>ENROLED SUBSTITUTE SENATE BILL 5882</b> as passed by the Senate and the House of Representatives on the dates hereon set forth.
Passed by the House June 28, 2013 YEAS 46 NAYS 25 _____ FRANK CHOPF Speaker of the House of Representatives	_____ HUNTER G. GOODMAN Secretary
Approved June 30, 2013, 4:44 p.m.	FILED July 1, 2013
_____ JAY INSLEE Governor of the State of Washington	_____ Secretary of State State of Washington

## Legislative Auditor's Report Includes Three Parts

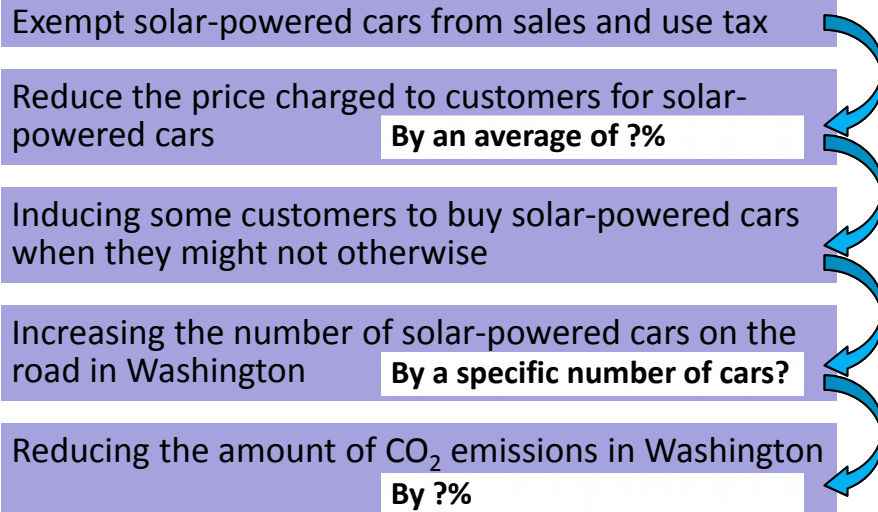
1. **Tool** to assist policy makers to clarify what they want accomplished
2. **Drafting guide** to help translate into a bill
3. **Issues/ideas** to consider
  - Report developed with advice from task force: AWB, DOR, OFM, State Treasurer's Office



## Tool: "Logic Chain" Helpful in Clarifying Policy Expectations



## Tool: "Logic Chain" Helpful in Clarifying Performance Expectations



## Issues/Ideas

### Legislative Auditor's Observations: Issues to Consider When Drafting Tax Preference Legislation



## Report Identifies Issues to Consider, Including:

- Choice: evaluate effectiveness by determining causality or achieving targets?
- What taxpayer info do you want to be disclosable or to remain confidential?
- Choice: performance at the firm level or performance industry-wide?
- If new information is needed from taxpayers, clearly identify it and a collection mechanism
- Some additional observations on specific data for measuring jobs and industry competitiveness

## Contact Information

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