



STATE OF WASHINGTON

August 25, 2022

Keenan Konopaski, Legislative Auditor
Joint Legislative Audit and Review Committee
PO Box 40910
Olympia, WA 98504-0910

Dear Mr. Konopaski:

The Office of Financial Management and the Washington State Department of Revenue have reviewed the Joint Legislative Audit and Review Committee's (JLARC) preliminary report on the 2022 tax preference performance reviews. This year's report includes seven recommendations in four separate tax reports provided on preferences for commute trip reduction, food processing, nonprofit hospitals and cancer clinics, and historic auto museums.

We appreciate the thorough analysis of JLARC and the detailed review provided by the Citizen Commission for Performance Measurement of Tax Preferences. A system that provides for a continuous review of state tax preferences is critical to ensure that the state of Washington maintains a fair and equitable tax system.

While we have no specific comments on the 2022 preliminary report, we continue to support JLARC's recommendations for the inclusion of performance statements and specific public policy objectives for all tax preferences where they do not exist in statute today.

Thank you for the opportunity to review this material and the recommendations made by JLARC and provide comments.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Schumacher".

David Schumacher, Director
Office of Financial Management

A handwritten signature in black ink, appearing to read "Vikki Smith".

Vikki Smith, Director
Department of Revenue