



Joint Legislative Audit & Review Committee

The Legislature's nonpartisan performance auditors

Legislator's guide to tax preference performance statements

Any bill that establishes, expands, or extends a tax preference after August 2013 must include a performance statement and expiration date.

What's in a performance statement?

A performance statement must specify:

1. One or more general categories.
2. Legislative purpose.
3. Clear measures of success.
4. Data sources and requirements.

If any element is missing, the law assumes that the Legislature intended the preference to expire. JLARC staff are not required to review it. More information is on the back.

New tax preferences must have an expiration date. Without it, the preference expires in 10 years.



How do we put a performance statement in a bill?

In general, the tax preference performance statement should:

- Be included in the same bill as the tax preference.
- Be contained in its own separate section. The Code Reviser does not generally codify performance statements.
- Start with a preamble that clearly identifies the section as a performance statement.
- Put the preamble plus each of the four parts in a separate subsection.

The Code Reviser provides advice on statutory construction and legal requirements.

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JLARC is a Washington state legislative committee that works to improve state government. It has members from the House and Senate, evenly split between the parties. JLARC's nonpartisan staff complete audits mandated by the Legislature. We follow professional standards to ensure our work is thorough, independent, and free from bias.