

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform
-----------------------------	-----------------------------

## Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Revenue	(2,610,000,000)	173,000,000	(11,916,000,000)	1,711,000,000	(13,083,000,000)	1,656,000,000
<b>Total \$</b>	<b>(2,610,000,000)</b>	<b>173,000,000</b>	<b>(11,916,000,000)</b>	<b>1,711,000,000</b>	<b>(13,083,000,000)</b>	<b>1,656,000,000</b>

Local Gov. Courts *						
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.					
Local Gov. Total						

## Estimated Expenditures

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Retirement Systems	.4	0	503,794	.2	0	48,190	.2	0	48,190
Department of Revenue	332.6	103,706,400	103,706,400	548.7	102,609,700	102,609,700	551.2	102,563,800	102,563,800
Board of Tax Appeals	1.0	156,546	156,546	2.0	294,442	294,442	2.0	304,678	304,678
Department of Corrections	1.0	146,340	146,340	1.0	139,080	139,080	1.0	139,080	139,080
Sentencing Guidelines Commission	.0	0	0	.0	0	0	.0	0	0
<b>Total</b>	<b>335.0</b>	<b>\$104,009,286</b>	<b>\$104,513,080</b>	<b>551.9</b>	<b>\$103,043,222</b>	<b>\$103,091,412</b>	<b>554.4</b>	<b>\$103,007,558</b>	<b>\$103,055,748</b>

Local Gov. Courts *	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

<b>Prepared by:</b> Ryan Black, OFM	<b>Phone:</b> 360-902-0417	<b>Date Published:</b> Final
-------------------------------------	-------------------------------	---------------------------------

\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 22245

FNS029 Multi Agency rollup

# Judicial Impact Fiscal Note

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform	<b>Agency:</b> 055-Admin Office of the Courts
-----------------------------	-----------------------------	---

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
Counties					
Cities					
<b>Total \$</b>					

### Estimated Expenditures from:

**Non-zero but indeterminate cost. Please see discussion.**

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.

Legislative Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Preparation: Julia Appel	Phone: (360) 705-5229	Date: 01/15/2009
Agency Approval: Dirk Marler	Phone: 360-705-5211	Date: 01/15/2009
OFM Review: Julie Salvi	Phone: 360-902-0542	Date: 01/16/2009

Request # -1

## **Part II: Narrative Explanation**

### **II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts**

Section 301 proposes a state income tax and defines the taxation rates.

Section 701 creates 3 new crimes:

- (1) Tax Evasion (a class C felony)
- (2) Failure to Collect Tax (a class C felony)
- (3) Failure to Pay Tax (a gross misdemeanor)

Sections 1001 and 1002 clarify that pension benefits paid to retired judges participating in the judicial retirement system and judge's retirement system are subject to the income tax.

Section 1008 clarifies that pension benefits paid to retired employees participating in the public employees' retirement system are subject to the income tax.

Section 1304 provides for contingent effective dates. If the constitutional amendment is approved in November 2009, section 1201 of the act takes effect January 1, 2010, and the remainder of the act takes effect January 1, 2011.

### **II. B - Cash Receipts Impact**

No cash receipts are anticipated.

### **II. C - Expenditures**

As Oregon is similar in size to Washington State and has a state income tax, it is assumed that Washington's experience would be similar.

According to the Oregon State Court Administrator's Office there are an average of one to two cases of tax evasion per year. It is assumed that there would also be few cases filed in Washington State and that the expenditure impact to the court system would be minimal.

## **Part III: Expenditure Detail**

## **Part IV: Capital Budget Impact**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform	<b>Agency:</b> 085-Office of the Secretary of State
-----------------------------	-----------------------------	---

## Part I: Estimates

**No Fiscal Impact**

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Preparation: Dalene Conant	Phone: 360-586-4553	Date: 01/23/2009
Agency Approval: Dan Speigle	Phone: 360-586-1116	Date: 01/23/2009
OFM Review: Regan Hesse	Phone: 360-902-9820	Date: 01/23/2009

## **Part II: Narrative Explanation**

### **II. A - Brief Description Of What The Measure Does That Has Fiscal Impact**

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The bill adopts Title 82A RCW, to impose a tax on all taxable income of resident individuals, estates, and trusts and on all individuals, estates, and trusts deriving income from sources in Washington. This bill would have no impact to the Office of the Secretary of State who only registers corporations and trusts that are referred to in the bill.

### **II. B - Cash receipts Impact**

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### **II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## **Part III: Expenditure Detail**

## **Part IV: Capital Budget Impact**

## **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform	<b>Agency:</b> 090-Office of State Treasurer
-----------------------------	-----------------------------	--

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
<b>Fund</b>					
<b>Total \$</b>					

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 01/16/2009
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 01/16/2009
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 01/17/2009

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SB 5104 imposes a tax on all taxable income, reduces the state sales tax, and eliminates the state property tax.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence different earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2008 Revenue Forecast, the net rate for estimating earnings for FY 10 is 0.62% and FY 11 is 1.56%. Approximately \$6,200 in FY 10 and \$15,600 in FY 11 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There may be an impact on the debt service limitation calculation. Any change to the revenues/receipts credited to the general fund will change, by an equal amount, general state revenues.

### II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SB 5104 imposes a tax on all taxable income, reduces the state sales tax, and eliminates the state property tax.

### II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
<b>Total:</b>					

**Part IV: Capital Budget Impact**

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform	<b>Agency:</b> 124-Department of Retirement Systems
-----------------------------	-----------------------------	---

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

<b>FUND</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.5	0.2	0.4	0.2	0.2
<b>Fund</b>					
Department of Retirement Systems Expense Account-State 600-1	84,995	368,419	453,414	43,370	43,370
Deferred Compensation Administrative Account-Non-Appropriated 888 -6	9,444	40,936	50,380	4,820	4,820
<b>Total \$</b>	94,439	409,355	503,794	48,190	48,190

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Preparation: George Pickett	Phone: 360-664-7950	Date: 01/16/2009
Agency Approval: Sandra J. Matheson	Phone: 360-664-7312	Date: 01/16/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 01/20/2009

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

This bill creates a graduated tax to be assessed on the income of residents of the state of Washington effective January 1, 2011.

The following sections in Part X apply this tax to the pension payments made to retirees in the public pension systems and plans currently\* administered by the Department of Retirement Systems (DRS):

- Sec. 1001 amends RCW 2.10.180, Judicial Retirement System
- Sec. 1002 amends RCW 2.12.090, Judges' Retirement System
- Sec. 1006 amends RCW 41.32.052, Teachers' Retirement System
- Sec. 1007 amends RCW 41.35.100, School Employees' Retirement System
- Sec. 1008 amends RCW 41.40.052, Public Employees' Retirement System
- Sec. 1009 amends RCW 41.44.240, Statewide City Employees' Retirement
- Sec. 1010 amends RCW 41.26.053, Law Enforcement Officers' and Fire Fighters' Retirement System
- Sec. 1011 amends RCW 43.43.310, Washington State Patrol Retirement System

\*This bill does not amend RCW 41.37.015, Public Safety Employees' Retirement System, which went into effect July 1, 2006.

Section 1005 also contains the amendment language stating that DRS is not prohibited from complying with the tax withholding requirements of Title 82A RCW; however, DRS does not administer the Volunteer Fire Fighters' and Reserve Officers' Relief and Pensions retirement system referenced in RCW 41.24.240.

Section 1012 amends RCW 6.15.025. Exemption of pension or retirement plan benefits from execution for judgment for out-of-state income tax and 1991 c 123 s 3 are each repealed.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

No impact.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

See attached.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.5	0.2	0.4	0.2	0.2
A-Salaries and Wages	28,014	10,689	38,703	21,738	21,738
B-Employee Benefits	9,665	3,726	13,391	7,452	7,452
C-Personal Service Contracts					
E-Goods and Services	56,760	394,940	451,700	19,000	19,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	<b>\$94,439</b>	<b>\$409,355</b>	<b>\$503,794</b>	<b>\$48,190</b>	<b>\$48,190</b>

#### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
Communications Consultant 3	53,148	0.3		0.2		
Fiscal Analyst 3	53,148		0.2	0.1	0.2	0.2
Information Tech Spec 4	71,496	0.1		0.1		
Retirement Services Analyst 3	53,148	0.1		0.1		
<b>Total FTE's</b>		<b>0.5</b>	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>

### Part IV: Capital Budget Impact

No impact.

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

No impact.

## II. C - Expenditures

### Administrative Assumptions

- DRS will withhold state income tax from the pension payments of retirees/beneficiaries who reside in the state of Washington, for each of the systems and plans administered by DRS, including payments made by the Deferred Compensation Program as indicated on the IRS form W-4P on file with DRS.
- DRS will withhold income tax from lump sum distributions/withdrawals at a flat rate determined by the Department of Revenue (DOR).
- DRS will remit state income tax withheld to DOR.
- Income that is subject to the state income tax corresponds to the federal definition of taxable income, except as modified in Sections 401 to 503 of this bill.
- DRS will perform balancing, reconciling, remitting, and reporting activities for state and federal income taxes, involving both payroll and pension processes.

The assumptions above were used in developing the following workload impacts and cost estimates.

### Benefits/Customer Service

Implementation of this bill requires significant modification to DRS' integrated information systems. An Information Technology Application Specialist and a Retirement Services Analyst will work with the programmers to identify system related business requirements and participate in user acceptance testing of the required system changes. Tasks required to implement the bill include the following:

- Define business requirements for the system modifications
- Conduct user acceptance testing of automated system modifications
- Update policies and procedures
- Update the Retirement Services Division (RSD) Online Operations Manual
- Conduct staff training

Retirement Services Analyst 3 - 252 hours (salaries/benefits)	\$8,119
Information Technology Specialist 4 – 112 hours (salaries/benefits)	<u>\$4,987</u>
<b>Total Estimated Benefits/Customer Service Costs</b>	<b>\$13,106</b>

### Member/Retiree Communications

Withholding of a state income tax from pensions and other disbursements requires communication to assure members and retirees are aware of the changes. DRS' print and Internet forms and publications will be reviewed and modified to include this information. Hardcopies of the member handbooks will be updated during the regular printing cycle. Tasks required to implement the bill include the following:

- Develop and distribute approximately 140,000 notification letters to retirees
- Modify all necessary publications and forms to include state tax information
- Update Web versions of the online publications and handbooks upon the effective date of the bill
- Notify members and employers of the changes via standard agency communications
- Update retirement seminars and pension workshop materials to provide the new information

Printing and Envelope Cost Estimates	\$8,400
Communication Consultant 3 – 693 hours (salaries/benefits)	\$23,784
Retirement Services Analyst 3 – 23 hours (salaries/benefits)	<u>\$789</u>
<b>Total Estimated Member/Retiree Communication Costs</b>	<b>\$32,973</b>

### Fiscal Unit

DRS currently withholds federal income tax and remits payments as required. Implementation of a state income tax will require similar processes of balancing, reconciling, remitting and reporting. Tasks required to implement the bill include the following:

- Develop and implement revised procedures for a state income tax
- Balance and remit state income tax payments to DOR twice monthly for employees

- Balance and remit state income tax payments to DOR for each monthly pension run, and twice weekly for other payments, for each retirement system administered by DRS
- Balance amounts withheld to amounts to be reported on employee W-2s (annually)
- Balance amounts withheld to amounts to be reported on IRS 1099-R forms for retirees and others in receipt of retirement funds, for each retirement system administered by DRS (annually)

Financial Analyst 3 – 420 hours each year (salaries/benefits) \$14,415  
**Total Estimated Fiscal Unit Costs** **\$14,415**

**Automated Systems**

As noted above, this bill requires significant modification of DRS’ integrated information systems. Tasks required to implement the bill include the following:

- Create a new state income tax withholding calculation process
- Modify the 1099 process to report state income tax withholding
- Review, analyze and design changes for state income tax withholding to over 100 modules in the Member Information, Benefits and Disbursement Systems
- Modify the Electronic Document Imaging System
- Create test plans and conduct user acceptance testing

Programming, testing and verification – 2,640 hours @ \$95 per hour \$250,800  
 DIS cost\* of \$500 per week for 66 weeks \$33,000  
**Total Estimated Costs for Systems Modifications** **\$283,800**

*\*cost for mainframe computer processing time and resources at the Department of Information Services*

**Record Keeping**

DRS currently contracts with separate third-party vendors to provide record keeping services for participants in the Deferred Compensation Program and for Plan 3 members of the Teachers’ Retirement System, School Employees’ Retirement System and Public Employees’ Retirement System. This bill would require modifications to the publications, Internet benefit calculators, forms and reporting systems maintained by the record keepers. Tasks required to implement this bill include the following:

- Modify the reporting systems to accommodate new tax changes
- Modify Internet-based benefit calculators
- Modify publications and forms in normal reprint cycles
- Include state income tax in annual remittance and reconciliation services

Cost for development and implementation \$150,000  
 Additional annual cost for expanded remittance and reconciliation services \$9,500  
**Total Estimated Record Keeping Costs** **\$159,500**

**ESTIMATED TOTAL COST TO IMPLEMENT THIS BILL:**

	<u>2009-11</u>	<u>2011-13</u>	<u>2013-15</u>
<b>BENEFITS/CUSTOMER SERVICE</b>	<b>\$13,106</b>	<b>\$0</b>	<b>\$0</b>
<b>MEMBER COMMUNICATIONS</b>	<b>\$32,973</b>	<b>\$0</b>	<b>\$0</b>
<b>FISCAL UNIT</b>	<b>\$14,415</b>	<b>\$29,190</b>	<b>\$29,190</b>
<b>AUTOMATED SYSTEMS</b>	<b>\$283,800</b>	<b>\$0</b>	<b>\$0</b>
<b>RECORD KEEPING</b>	<b><u>\$159,500</u></b>	<b><u>\$19,000</u></b>	<b><u>\$19,000</u></b>
<b>ESTIMATED TOTAL COSTS</b>	<b>\$503,794</b>	<b>\$48,190</b>	<b>\$48,190</b>

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform	<b>Agency:</b> 140-Department of Revenue
-----------------------------	-----------------------------	--

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
GF-State-State 01 - Taxes 01 - Retail Sales Tax		(1,625,000,000)	(1,625,000,000)	(8,017,000,000)	(8,923,000,000)
GF-State-State 01 - Taxes 50 - Property Tax		(985,000,000)	(985,000,000)	(3,899,000,000)	(4,160,000,000)
NEW-State 00 - 00 -		2,783,000,000	2,783,000,000	13,627,000,000	14,739,000,000
<b>Total \$</b>		173,000,000	173,000,000	1,711,000,000	1,656,000,000

### Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	196.6	468.6	332.6	548.7	551.2
<b>Fund</b>					
GF-STATE-State 001-1	28,221,000	75,485,400	103,706,400	102,609,700	102,563,800
<b>Total \$</b>	28,221,000	75,485,400	103,706,400	102,609,700	102,563,800

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Preparation: Ray Philen	Phone: 360-570-6078	Date: 02/09/2009
Agency Approval: Kim Davis	Phone: 360-570-6087	Date: 02/09/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/11/2009

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The bill imposes a personal income tax, reduces the state retail sales and use tax rate and eliminates the state property tax levy for schools.

Sections 101 through 809 constitute a new title 82A RCW.

Part II, sections 202 through 212, provides definitions that would apply throughout Title 82A RCW. Definitions for income, tax base, residency and others are provided to establish parameters for a state income tax.

Parts III - VI authorize a tax to be imposed on all taxable income of resident individuals, estates, and trusts and on all individuals, estates, and trusts deriving income from sources in Washington for each taxable year, based on the type of return filed and the amount of taxable income.

The tax does not apply to corporations. However, partners of partnerships and shareholders of S corporations are subject to tax in their separate or individual capacities.

The income tax has a graduated three-rate structure with rates of 2.2 percent, 3.5 percent and 6.0 percent. To illustrate the rate structure, the marginal rates for married couples filing jointly are shown below:

TAXABLE INCOME	TAX RATE
0 - \$ 49,900	2.2% of taxable income
\$ 49,901 - \$120,650	\$1,098 plus 3.5% of the excess over \$49,900
\$120,651 - over	\$3,574 plus 6.0% of the excess over \$120,650

The taxable income brackets for heads of households are set at 75 percent of the brackets for joint returns. For single filers and married couples filing separately, the bracket amounts are one-half of the joint return amounts.

For individuals, the tax base is federal adjusted gross income ("AGI") with certain modifications (e.g., income from municipal bonds issued by other states is added back). A standard deduction of \$5,000 is provided for single filers. Joint returns with only one income are allowed a deduction of \$7,000; if both spouses have taxable income the deduction is increased up to \$10,000. For head of household, the standard deduction is \$7,000.

In addition, a personal exemption of \$2,900 for each exemption claimed under the federal income tax is provided; additional exemptions are provided for persons 65 years of age and older and blind persons. Section 410, requires the dollar amount of the standard deductions and personal exemptions to be indexed for inflation.

Provisions are included for allocating and apportioning income to this state. A credit is also allowed for the amount of any state business and occupation or public utility taxes paid (i.e., for non-corporate businesses).

Part VI establishes a system for employer withholding and payment of estimated income tax, including penalties for failure to pay. Return filing provisions are included that require tax returns to be filed at the same time federal income tax returns are filed. If an adjustment is made by the taxpayer to his or her federal income tax return, the taxpayer must file an adjusted return with the State of Washington within 30 days. If an adjustment is made by the internal revenue service, then an adjustment must be made by the taxpayer to the State of Washington return within 90 days.

Section 809 allows the department of revenue to adopt administrative rules to administer and enforce the provisions of Title

82A RCW. The rules, to the extent possible without being inconsistent with this title, must follow the internal revenue code and regulations and rulings of the United States Department of the Treasury with respect to the federal income tax.

Part IX gives the Board of Tax Appeals jurisdiction over appeals related to income tax.

Section 1304 makes implementation of the personal income tax contingent upon approval by the voters of a constitutional amendment at the general election in November 2009. If the voters approve the amendment, then the income tax would take effect on January 1, 2011. The first actual payment of income tax for income earned during calendar year 2011 would be due on April 15, 2012 (although withholding and estimated payments would be due during 2011).

PART XI - Section 1101 reduces the rate of the state retail sales and use tax from 6.5 percent to 3.5 percent. This reduction is contingent upon voter approval of the income tax amendment as noted above and would take effect on January 1, 2011.

#### Part XII - Eliminating the State Property Tax

Currently, the state levies for the support of the common schools. The state levy is limited under current law by the lesser of 101 percent or 100 percent plus inflation. Inflation is defined as the percentage change in the implicit price deflator for personal consumption expenditures as published by the Bureau of Economic Analysis. A portion of the state levy is deposited into the student achievement fund. Also, the State Treasurer transfers money from the taxes collected from the state levy to the general fund for payment on bonds issued for common school construction.

Also, the aggregate of all regular levies, including the state levy and excluding ports and public utility districts are limited to 1 percent of the true and fair value in money.

This proposal eliminates the state levy beginning with taxes levied for collection in 2011. The proposal replaces the portion of the state levy which is deposited into the student achievement fund with a portion of the state income tax.

Also, this proposal reduces the limitation of 1 percent of the true and fair value in money for the aggregate of all regular levies to 0.64 percent of the true and fair value in money. This proposal corrects various references to the 1 percent limitation and other references to the state levy.

This proposal also eliminates the transfer of money by the State Treasurer from the state levy to the general fund for payment on bonds issued for common school construction.

#### Effective Date(s):

If SJR 0560 (the proposed amendment to Article VII of the state Constitution authorizing income taxes) is submitted, approved and ratified by the voters at a general election held in November 2009, then section 1201 of this act takes effect January 1, 2010, and the remainder of this act takes effect January 1, 2011. If the proposed amendment is not approved and ratified, this entire act is null and void in its entirety.

#### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

#### ASSUMPTIONS/DATA SOURCES

#### Data Sources:

Federal income tax returns for tax year 2005;  
Office of the Forecast Council, November 2008 forecast.

REVENUE ESTIMATES

Sections 301 and 407:

For individuals, the tax based is federal adjusted gross income ("AGI") with certain modifications (e.g., income from municipal bonds issued by other states is added back). A standard deduction of \$5,000 is provided for single filers. Joint returns with only one income are allowed a deduction of \$7,000; if both spouses have taxable income the maximum deduction is increased to \$10,000. In addition, a personal exemption of \$2,900 for each exemption claimed under the federal income tax is provided; additional exemptions are provided for persons aged 65 and older and blind persons. Pursuant to Section 410, the dollar amount of the standard deductions and personal exemptions are to be indexed for inflation.

The revenue impact of sections 301 and 407, excluding other adjustments found in this legislation is:

Married filing jointly:

TAXABLE INCOME	TAX RATE	TAX DUE Fiscal Year 2010
\$0 - \$49,900	2.2%	\$290,000,000
\$49,001 - \$120,650	\$1,098 plus 3.5%	\$1,178,000,000
\$120,651 - over	\$3,574 plus 6%	\$3,592,000,000

Head of household:

TAXABLE INCOME	TAX RATE	TAX DUE Fiscal Year 2010
\$ 0 - \$37,425	2.2%	\$80,000,000
\$ 37,425 - \$90,488	\$823 plus 3.5%	\$97,000,000
\$ 90,488 - over	\$2,681 plus 6%	\$75,000,000

Single and others

TAXABLE INCOME	TAX RATE	TAX DUE Fiscal Year 2010
\$ 0 - \$24,950	2.2%	\$174,000,000
\$ 24,950 - \$60,325	\$549 plus 3.5%	\$402,000,000
\$ 60,325 - over	\$1,787 plus 6%	\$1,007,000,000

Section 304 Business and Occupation Tax Credit:

A credit is allowed for persons paying both the business and occupation tax and the personal income tax. This credit is allowed to persons and individuals and not corporations. This credit results in a reduction of tax of approximately \$204 million in Fiscal Year 2010.

Section 305 Public Utility Tax Credit:

A credit is allowed for persons paying both the public utility tax and the personal income tax. This credit is allowed to persons and individuals and not corporations. This credit results in a reduction of tax of approximately \$10 million in Fiscal

Year 2010.

Section 1304 makes implementation of the personal income tax contingent upon approval by the voters of a constitutional amendment at the general election in November 2009. If the voters approve the amendment, then the income tax would take effect on January 1, 2011. The first actual payment of income tax for income earned during calendar year 2011 would be due on April 15, 2012 (although withholding and estimated payments would be due during 2011).

The following compares the revenue impacts for the three major elements of this tax package for the first two fiscal years.

	Fiscal Year 2011	Fiscal Year 2012
State income tax yield	\$2,780,000,000	\$6,673,000,000
Reduction of state sales tax	(1,625,000,000)	(3,901,000,000)
Elimination of state levy	(985,000,000)	(1,918,000,000)
 NET CHANGE	 \$170,000,000	 \$854,000,000

Local Sales and Use Taxes

Section 1101 reduces the rate of the state retail sales and use tax from 6.5 percent to 3.5 percent. This rate reduction may result in the loss of city and/or county tax revenues that are made available as a credit against the state retail sales and use tax.

Property Taxes

If passed, this legislation will result in losses from the state property tax levy of an estimated \$985 million for Fiscal Year 2011 and \$1,918 million in Fiscal Year 2012, the first full fiscal year.

Reducing the limitation of 1 percent of the true and fair value for the aggregate of all regular levies to 0.64 percent of the true and fair value will not have an effect on local levies.

DETAIL OF REVENUE IMPACT FOR PROPERTY TAX BILLS, Calendar Year Basis

State Government, Impact on Revenues (\$000):

- CY 2010 - \$ 0
- CY 2011 - \$ (1,886,617)
- CY 2012 - \$ (1,947,850)
- CY 2013 - \$ (2,010,187)
- CY 2014 - \$ (2,074,007)
- CY 2015 - \$ (2,139,330)

State Government, (\$000), Shift of Tax Burden: None

Local Government, Impact on Revenues (\$000): None

Local Government, (\$000), Shift of Tax Burden: None

**II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing*

To implement this legislation, the Department of Revenue (Department) will incur costs of approximately \$28,221,000 during Fiscal Year 2010. These are programming costs to set up, test, and verify the systems to handle the tax and the required withholding from employers. Development of programs, handling and processing returns, questions from employers and taxpayers, informational workshops are included. Object costs for printing booklets, returns, special notice, imaging, postage, site license, and a lock box are also included. Time and effort spent would equal 196 FTEs.

Fiscal Year 2011 costs are approximately \$75,485,400. These are costs to complete the initial programming of the systems and for the development of five new administrative rules. Ongoing costs include audit, compliance, addressing appeals, maintenance of systems, handling of questions, returns, and taxpayer workshops. Object costs that are ongoing include printing and postage, imaging, site license, media, booklets, and lockbox. Time and effort spent would equal 468 FTEs.

The Department will incur estimated costs of \$102,609,700 in the 2011-2013 Biennium. These costs include the ongoing costs mentioned above and costs to process refunds and mail the required Internal Revenue Forms (1099-G) to taxpayers. Time and effort spent would equal 551FTEs.

The Department will incur estimated costs of \$102,563,800 in the 2013-2015 Biennium. These are ongoing costs mentioned above. Time and effort spent would equal 551 FTEs.

**Part III: Expenditure Detail**

**III. A - Expenditures by Object Or Purpose**

	<b>FY 2010</b>	<b>FY 2011</b>	<b>2009-11</b>	<b>2011-13</b>	<b>2013-15</b>
FTE Staff Years	196.6	468.6	332.6	548.7	551.2
A-Salaries and Wages	8,924,000	23,299,000	32,223,000	53,899,300	55,025,600
B-Employee Benefits	2,231,000	5,824,700	8,055,700	13,474,800	13,756,400
C-Personal Service Contracts	45,500		45,500		
E-Goods and Services	13,208,600	43,518,400	56,727,000	31,403,700	30,708,400
G-Travel		387,000	387,000	1,232,500	1,240,000
J-Capital Outlays	3,811,900	2,456,300	6,268,200	2,599,400	1,833,400
<b>Total \$</b>	<b>\$28,221,000</b>	<b>\$75,485,400</b>	<b>\$103,706,400</b>	<b>\$102,609,700</b>	<b>\$102,563,800</b>

**III. B - Detail:** List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
BUDGET ANALYST 3	51,861	1.3	1.3	1.3	1.3	1.3
COMMUNICATIONS CNSLT 3	47,014		2.0	1.0	2.0	2.0
EXCISE TAX EX 2	42,583		68.6	34.3	68.6	68.6
EXCISE TAX EX 3	50,563	6.0	17.0	11.5	18.0	18.0
FISCAL ANALYST 3	47,014	12.3	12.3	12.3	2.3	2.3
FORMS AND RECORDS ANALYST	37,626		2.0	1.0	2.0	2.0
2						
GRAPHIC DESIGNER SENIOR	43,574		3.0	1.5	3.0	3.0
HEARINGS SCHEDULER	32,688		0.0	0.0		
HUM RES CNSLT 1	41,506	1.0	1.0	1.0	1.0	1.0
HUM RES CNSLT 3	51,861	1.0	1.0	1.0	1.0	1.0
HUM RES CNSLT 4	57,234	2.0	2.0	2.0	2.0	2.0
IT SPEC 3	57,234	40.0	40.0	40.0	25.0	25.0
IT SPEC 4	63,195	24.0	25.0	24.5	13.0	13.0
IT SPEC 5	69,756	6.0	6.0	6.0	4.0	4.0
IT TECH 2	38,556	3.0	3.0	3.0	3.0	3.0
OFF ASST 2	27,809	1.0	6.0	3.5	5.0	5.0
OFF ASST 3	29,780	89.0	9.0	49.0	9.0	9.0
OFF ASST LEAD	31,175		4.0	2.0	4.0	4.0
REVENUE AGENT 2	47,014		92.0	46.0	138.0	50.0
REVENUE AGENT 3	51,861				46.0	134.0
REVENUE AGENT 4	54,505		29.0	14.5	29.0	29.0
REVENUE AUDITOR 1	40,527		5.0	2.5	10.0	10.0
REVENUE AUDITOR 2	48,164		12.0	6.0	24.0	24.0
REVENUE AUDITOR 3	54,505		8.0	4.0	15.0	15.0
SEC SR	31,175				1.0	1.0
TAX INFO SPEC 1	36,757		25.0	12.5	38.5	52.0
TAX INFO SPEC 2	39,511		2.0	1.0	2.0	2.0
TAX INFO SPEC 3	48,164		10.0	5.0	10.0	10.0
TAX POLICY SP 2	61,628		0.0	0.0		
TAX POLICY SP 3	69,756		5.3	2.6	5.0	5.0
TAX SERV REP 1	32,693		27.0	13.5	16.0	5.0
WMS BAND 1	63,158	2.0	28.0	15.0	28.0	28.0
WMS BAND 2	77,790	8.0	16.0	12.0	16.0	16.0
WMS BAND 3	88,546		6.0	3.0	6.0	6.0
<b>Total FTE's</b>		196.6	468.6	332.6	548.7	551.2

**Part IV: Capital Budget Impact**

NONE.

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Should this bill become law, the Department anticipates creating a new chapter in Title 458 WAC to provide rules for the administration of this new body of law. Five new rules will be adopted using the standard process.

Persons affected by these rules would be taxpayers who owe income tax and businesses who need to withhold taxes.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform	<b>Agency:</b> 142-Board of Tax Appeals
-----------------------------	-----------------------------	---

**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

<b>FUND</b>					
<b>Total \$</b>					

**Estimated Expenditures from:**

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	2.0	1.0	2.0	2.0
<b>Fund</b>					
General Fund-State 001-1	0	156,546	156,546	294,442	304,678
<b>Total \$</b>	0	156,546	156,546	294,442	304,678

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Preparation: SJ Barnsley	Phone: 360-753-5446	Date: 01/26/2009
Agency Approval: Steve Saynisch	Phone: 360-753-5446	Date: 01/26/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 01/26/2009

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The function of the Board of Tax Appeals (Board) will be impacted by the expansion of its jurisdiction as noted in Part IX, Appeals. The addition of the responsibilities under RCW 82.03.130(m) will require one additional Tax Referee and one Legal Secretary 2 as authorized under RCW 82.03.070. Without the total and complete removal of taxes and levies against real and personal property, we envision little or no reduction in property tax appeals to the Board. Therefore, the present staffing will not allow for the added responsibilities. Additionally, the Tax Referee hired will have to be experienced in the field of income taxes, whereas the present staff's expertise lies mainly in property and excise taxes. The Department of Revenue forecasted approximately 3,300 income tax appeals will be filed each fiscal year with the Department. As a result, this Board anticipates that it will receive approximately 165 new appeals each year beginning in Fiscal Year 11 necessitating the addition of one Tax Referee and one Legal Secretary 2.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

No cash receipts

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

As noted earlier, the addition of 165 income tax appeals per fiscal year to this Board will necessitate the addition of one Tax Referee and one Legal Secretary 2 to the Board's staff. In addition to the salaries and benefits required for these new positions, there will be associated costs for equipment, furniture and installation in FY11. There will also be ongoing costs for items such as supplies, communications, copying, training, and information technology upgrades. A review of the bill and its added responsibilities when compared to the function of the Board indicate there will be no cost savings. However, by adding these responsibilities to the Board rather than allowing the court system to assume the responsibilities, there is a cost avoidance to the Washington State taxpayers in general.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		2.0	1.0	2.0	2.0
A-Salaries and Wages		99,948	99,948	202,395	210,455
B-Employee Benefits		30,712	30,712	62,192	63,747
C-Personal Service Contracts					
E-Goods and Services		23,386	23,386	24,855	25,476
G-Travel		2,500	2,500	5,000	5,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$156,546	\$156,546	\$294,442	\$304,678

#### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
Legal Secretary 2	36,756		1.0	0.5	1.0	1.0
Tax Referee	63,192		1.0	0.5	1.0	1.0
<b>Total FTE's</b>			2.0	1.0	2.0	2.0

### Part IV: Capital Budget Impact

No impact

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

As the Board's rules (Chapters 456-09 and 456-10 WAC) are directed toward appeals dealing with the state's present tax structure, they will have to be revised, amended, and otherwise changed to accommodate appeals relating to the income tax. As no other agency has authority over the same subject matter, we believe our rule change procedures should proceed without too much difficulty.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform	<b>Agency:</b> 310-Department of Corrections
-----------------------------	-----------------------------	--

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

<b>FUND</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
<b>Fund</b>					
General Fund-State 001-1	76,800	69,540	146,340	139,080	139,080
<b>Total \$</b>	76,800	69,540	146,340	139,080	139,080

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Preparation: Ronna Cole	Phone: 360-725-8263	Date: 01/16/2009
Agency Approval: Susan Lucas	Phone: (360) 725-8277	Date: 01/16/2009
OFM Review: Adam Aaseby	Phone: 360-902-0659	Date: 01/19/2009

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section I through VI propose a new income tax on State of Washington residents.

Section VII creates a new unranked Class C felony offense for:

- (1) a person who knowingly attempts to evade the proposed income tax under the proposal;
- (2) persons required to collect taxes who knowingly fail to collect, truthfully account for, or pay over the tax.

Section VIII outlines the administrative provisions

Section XI reduces the state sales tax from 6 5/10% to 3 5/10%.

Section XII eliminates the state property tax

Section XIII outlines the effective dates of the proposed tax.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Agency Payroll Deduction:

The Department of Corrections would be required to withhold state income tax from employees pay. The Department assumes that the State's payroll system HRMS would be modified to collect the tax as part of the bi-monthly payroll processes. Department assumes staff will be required to provide some oversight, auditing, and reporting as required by the proposed legislation.

The Department based on the proposed legislation assumes 1.0 Financial Analyst 3 position will provide the agency oversight for the new tax. The Department may require additional staff depending on the changes implemented in the state's payroll system and each Department's requirements to enter, monitor, and validate the data in the system.

New Class C Unranked Felony Offense as defined in Section VI:

The Sentencing Guidelines Commission (SGC) has no information with which to predict how the changes proposed by the bill will affect the number of sentences per fiscal year for the new offense and therefore, cannot reliably estimate bed impacts. The offense is a Class C felony, not ranked on the adult felony sentencing grid; it is punishable by a term of confinement of 0 to 12 months in jail. Therefore, any impact will be on jail beds, unless an exceptional sentence is ordered which results in a prison sentence. The Department assumes no fiscal impact.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	48,000	48,000	96,000	96,000	96,000
B-Employee Benefits	17,500	17,500	35,000	35,000	35,000
C-Personal Service Contracts					
E-Goods and Services	3,800	3,800	7,600	7,600	7,600
G-Travel	240	240	480	480	480
J-Capital Outlays	7,500		7,500		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	<b>\$77,040</b>	<b>\$69,540</b>	<b>\$146,580</b>	<b>\$139,080</b>	<b>\$139,080</b>

#### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
Fiscal Analyst III	48,000	1.0	1.0	1.0	1.0	1.0
<b>Total FTE's</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

#### III. C - Expenditures By Program (optional)

Program	FY 2010	FY 2011	2009-11	2011-13	2013-15
Administrative Services Division (100)	76,800	69,540	146,340	139,080	139,080
<b>Total \$</b>	<b>76,800</b>	<b>69,540</b>	<b>146,340</b>	<b>139,080</b>	<b>139,080</b>

### Part IV: Capital Budget Impact

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform	<b>Agency:</b> 325-Sentencing Guidelines Commission
-----------------------------	-----------------------------	---

## Part I: Estimates

**No Fiscal Impact**

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Preparation: Teresa Waller	Phone: 360-407-1062	Date: 01/15/2009
Agency Approval: Jean Soliz-Conklin	Phone: 360-407-1056	Date: 01/15/2009
OFM Review: Adam Aaseby	Phone: 360-902-0659	Date: 01/19/2009

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

NONE

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

NONE

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

NONE

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

NONE

**SB 5104**  
**INCOME TAX REVENUES**  
**325 – Sentencing Guidelines Commission**  
**January 15, 2009**

**SUMMARY**

**A brief description of what the measure does that has fiscal impact.**

**Part VII - Section 701**

This section creates a new unranked - class C felony for:

- (1) persons who knowingly attempt to evade the proposed income tax under this title or the payment thereof; or
- (2) persons required to collect taxes who knowingly fail to collect, truthfully account for, or pay over the tax.

A new gross misdemeanor is created for any person who knowingly fails to pay the tax or estimated tax, keep records, or supply required information.

**Part XIII - Section 1304**

Section 701 of this act will be effective January 1, 2011, if it is ratified by the voters in a general election in November 2009.

**EXPENDITURES**

**Assumptions.**

None

**Impact on the Sentencing Guidelines Commission.**

This bill would require modification of the Commission's database and data entry programs. These recurring costs are included in the agency's budget.

**Impact on prison and jail beds.**

Persons who violate the provisions of this bill pertaining to the payment or collection of the proposed income tax may be guilty of a new unranked class C offense. This new offense has not been part of the Sentencing Guidelines Commission historical data collection and therefore, we can not project the exact bed impact of these crimes. However, an unranked class C felony offense has a standard sentencing range of 0 to 12 months and a statutory maximum of 60 months. A violation of this provision would likely impact jail beds.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

<b>Bill Number:</b> 5104 SB	<b>Title:</b> Fiscal reform
-----------------------------	-----------------------------

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- Cities: Indirect revenue impacts, one-time set up costs as employer, minor criminal justice cost impact.
- Counties: Indirect revenue impacts, one-time costs related to property tax and payroll system modifications, minor criminal justice cost impacts
- Special Districts: Indirect revenue impacts, one-time set up costs as employer
- Specific jurisdictions only:
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Payroll and property tax software system set up costs, property tax related public information costs
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Indirect revenue impacts and public information costs related to property tax changes

### Estimated revenue impacts to:

**Indeterminate Impact**

### Estimated expenditure impacts to:

**Indeterminate Impact**

## Part III: Preparation and Approval

Fiscal Note Analyst: Anne Pflug	Phone: 425 785 8557	Date: 01/22/2009
Leg. Committee Contact: Joli Sandoz	Phone: 360-902-9821	Date: 01/14/2009
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 01/22/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 01/22/2009

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.*

#### OVERVIEW

This bill replaces part of the state portion of the sales and use tax and all of the state property tax with a state income tax. Creates requirements for employer payment through salary and wage withholding. Creates new crimes for state income tax evasion and failure to pay or collect taxes and exempts local government obligations (bonds and notes) interest income from state income taxes. The bill is effective after a statewide November 2009 election.

#### PART I -- General Provisions

Sec. 101 Intent.

#### PART II -- Definitions

Defines terms as used for income tax purposes. Excludes local government as a taxpayer.

#### PART III -- Determination of Tax

Sec. 304 Provides a business and occupation (B&O) tax credit against a state income tax for the state portion of business and occupation taxes.

Sec. 305 Provides a public utility tax credit against a state income tax for state public utility taxes.

#### PART IV -- Taxable Income Modifications

Sec. 402 Only the interest on state and local government obligations of the State of Washington are excluded from income.

Sec. 403 Add to federal base income taxes on or measured by net income which have been deducted under the internal revenue code.

#### PART VI -- Withholding -- Estimated Tax

Sec. 601 Requires all employers to withhold state income tax.

Sec. 602-606 Employers are liable to the state for state income taxes of employees that are withheld. Employees may file for exemptions with employers. Employers or a responsible person as defined under the internal revenue code is personally liable to the state for the amount of the tax and any interest and penalties.

#### PART VII -- Crimes

1. State income tax evasion is a class C felony (RCW 9A.20).

2. Failure to collect and disperse to the state by an employer is a class C felony (RCW 9A.20).

3. Failure to pay state income tax, make returns or supply information is a gross misdemeanor (RCW 9A.20)

#### PART X -- Application to Public Pensions

Sec. 1001-1011 Makes public pensions subject to state income tax.

Sec. 1002 Amends the homestead provisions (RCW 6.12.030) to exclude state income tax judgments.

#### PART XI -- Reducing the State Sales Tax

Reduces the state sales tax from 6.5 percent to 3.5 percent.

#### PART XII -- Eliminating the State Property Tax

The state shall not levy a property tax for collection in calendar year 2011.

Sec. 1204-1213 Reduces the maximum aggregate property tax levy of all taxing districts from 1 percent of the aggregate assessed property value to 0.64 of a percent.

#### PART XIII -- Miscellaneous

Sec. 1304 Effective only if November 2009 election approves a Senate Joint Resolution authorizing an income tax.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.*

#### SUMMARY

The bill would have a significant (greater than \$1 M) but indeterminate impact on local government expenditures as a result of:

1. Counties administer the property tax system in Washington. Eliminating the state property tax levy (Part XII) would result in one-time

programming and public information costs to counties ranging from \$564,000 to \$2.75 M.

2. Local governments are employers and would be required to withhold and remit state income taxes on behalf of their employees (Part VI). Each local government would have set-up and on-going costs. To the extent that employer administration mirrors federal income tax administration, on-going costs would be marginal although many local governments may experience one-time programming and set-up costs, which could be significant due to the complexity of payroll systems. There are more than 79,000 city and county employees in Washington plus an unknown number of special district employees.

3. Part VII establishes new felony and gross misdemeanor crimes that would be prosecuted at the county (Superior and District Court) and city (Municipal and District Court) level. Felony filings would result in additional minor county prosecution, defense, pre-sentence jail and court costs per case. Misdemeanor filings would result in additional minor county and city prosecution, defense, jail, probation and court costs per case.

4. Elections are administered by county government. Election costs (Part XIII) in an odd numbered year election (November 2009) are assumed to be reimbursed by the state.

## DISCUSSION

1. Implementation of Elimination of State Property Tax Levy:

SOFTWARE -- Counties would implement the elimination of the state property tax levy from the property tax system. Computer programming, training and public information costs would result.

All of Washington's 39 counties use computer software to administer the property tax collection and distribution system in its county. Overall one-time costs would range from \$442,000 to \$1.3 M. There are approximately 15 different software programs in use statewide among the 39 counties (Washington Association of County Officials). Commercial software packages are used by about 26 counties and the balance use custom software. In addition, each county has its own web page, which may be maintained on contract or in-house. In order to eliminate the state property tax levy software would need to be re-programmed.

It is estimated that small- and medium-sized counties would need to pay between \$5,000 and \$15,000 each for tax software modifications, and large counties would need to expend between \$15,000 and \$45,000 each. Statewide these costs are estimated to range from \$295,000 to \$885,000. Changes to web pages are estimated to cost between \$147,000 and \$442,000, assuming that the time and costs would be about half of the tax software modification costs for a total of \$442,000 to \$1,327,000 in total software modification costs statewide.

TRAINING AND PUBLIC INFORMATION -- These are costs related to answering public inquiries by phone, mail or in person are difficult to estimate. An estimated range of one time costs would be from \$122,000 to \$1.95 M depending on peak temporary staffing needs and the number of public information mailings to property tax payers. The Department of Revenue generally provides training to county staff and would be assumed to provide training on the proposed change. In addition, each county would need to train staff in local procedures and software. Total training is estimated at four to eight hours per FTE for existing staff. There are 969 FTEs in existing assessors' and treasurer's offices that work with the public and/or software. Training would cost approximately \$122,000 based on an average hourly rate of \$21 per hour. The number of individual public inquiries and public information mailings is difficult to estimate. To the extent that public inquiries occur during peak work weeks additional temporary staff may need to be hired for the first tax season. Administrative and professional staff range in hourly cost from \$15 per hour to \$22 per hour without benefits. Assuming three months of temporary staffing at an average of one staff member per county would result in a total cost of \$375,000 statewide. A single mailing to all property tax payers (2.9 M) at a unit cost of \$.50 each would result in a one time cost of \$1.45 M.

CRIMINAL JUSTICE -- These costs would impact superior, district and municipal courts (see Administrative Office of the Courts fiscal note), prosecution, defense, probation and jail costs for counties and cities. It is assumed that the number of cases filed would be fewer than five per year and the costs would be minor.

## ASSUMPTIONS AND METHODOLOGY

1. Election costs (Part XIII) in an odd-numbered year election (November 2009) are assumed to be reimbursed by the state.
2. Administrative Office of the Courts and Sentencing Guidelines Commission fiscal note assumptions.

## C. SUMMARY OF REVENUE IMPACTS

*Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.*

### SUMMARY

This bill would have an indeterminate but moderate (greater than \$50,000) direct impact on local government revenue and additional indirect impacts over time.

1. Seven statutes authorize the use of diverted state sales tax to finance all or part of bond debt service payments or provide a time limited local revenue source. Two of these revenues could be impacted indirectly as a result of the reduction in the state sales and use tax rate.

Current diverted sales tax authority for these two sources is approximately \$11 M per year.

2. Interest on Washington local government bonds would be afforded additional state income tax exemption relative to other municipal bonds which may have indirect positive impacts on bond interest rates.
3. The reduction in aggregate property taxation authority from one percent to 0.064 of a percent would currently have no impact on local government revenue authority. However, a taxing district property tax lid lift in combination with assessed value decreases (in flooded areas or communities with declining assessed value due to the economy) could cause pro-rating of the property tax authority among taxing districts. The likelihood of pro-rating is higher when the one percent limit is reduced.
4. Eliminating the state property tax levy limits the participants in property taxation to counties, cities and special purpose districts. This structural change may impact the stability of property taxes as a primary source of local government revenue.

#### DISCUSSION

**REDUCTIONS IN THE STATE SALES TAX (Part XI)** -- These reductions would lower the amount of state tax revenue subject to diversion for local government under the Local Infrastructure Financing Tool pilot program (RCW 39.102) and Hospital Benefit Zone statute ((RCW 82.14.465). Use of the incremental increase in up to the full amount of diverted state sales taxes to pay debt service on bonds issued within specific geographic areas such as Local Infrastructure Financing Tool and Hospital Benefit zones could be affected.

**MUNICIPAL BOND INTEREST** -- Interest income from Washington state municipal bonds are exempted from state income taxation under Sec. 402. Exclusion from state income tax may increase the market demand for local government municipal bonds in Washington potentially reducing interest rates that local governments pay on municipal debt. A 1/10 of 1 percent decrease in debt interest over 20 years on \$1 billion in municipal debt would equal \$13.3 M. Cities and counties have issued an average of over \$1 billion in municipal bond debt each year in the period 2003 to 2007.

**COURT FEES AND FINES** -- New court fee and fine income due to the creation of new felony and misdemeanor crimes for state income tax evasion and failure to collect or pay state income tax would be limited and would only partially offset the cost of administration of criminal cases filed under the new statute.

#### ASSUMPTIONS AND METHODOLOGY

1. Assumes that counties receiving diverted state sales taxes as rural counties under RCW 82.14.370, stadiums under RCW 82.14.0485, regional centers under RCW 82.14.390 and annexation areas under RCW 82.14.415 would not be impacted since funds are dispersed from statewide receipts.
2. Department of Revenue, Administrative Office of the Courts and Sentencing Guidelines Commission fiscal note assumptions about caseload and jail impacts.

#### SOURCES CONSULTED

Administrative Office of the Courts fiscal note  
Sentencing Guidelines Commission fiscal note  
Department of Revenue, Tax Manual, January 2007  
Department of Revenue, 2007 Comparison of County Assessor Statistics  
Department of Revenue fiscal note  
Office of Financial Management, Restructuring State Public Infrastructure Programs, 2008  
Washington Association of County Officials



# Multiple Agency Ten-Year Analysis Summary

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform
-------------------------------	-------------------------------

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimated Cash Receipts (Dollars in Thousands)

Agency Name	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	2010-19 TOTAL
Community, Trade and Econ Dev-Local	0	0	0	0	0	0	0	0	0	0	0
Department of Corrections	0	0	0	0	0	0	0	0	0	0	0
Department of Retirement Systems	0	0	0	0	0	0	0	0	0	0	0
Admin Office of the Courts	0	0	0	0	0	0	0	0	0	0	0
Sentencing Guidelines Commission	0	0	0	0	0	0	0	0	0	0	0
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Office of the Secretary of State	0	0	0	0	0	0	0	0	0	0	0
Board of Tax Appeals	0	0	0	0	0	0	0	0	0	0	0
Department of Revenue	0	2,783,000,000	6,680,000,000	6,947,000,000	7,225,000,000	7,514,000,000	7,739,420,000	7,971,602,600	8,210,750,700	8,457,073,200	63,527,846,500
<b>Total</b>	<b>0</b>	<b>2,783,000,000</b>	<b>6,680,000,000</b>	<b>6,947,000,000</b>	<b>7,225,000,000</b>	<b>7,514,000,000</b>	<b>7,739,420,000</b>	<b>7,971,602,600</b>	<b>8,210,750,700</b>	<b>8,457,073,200</b>	<b>63,527,846,500</b>



# Ten-Year Analysis

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform	<b>Agency</b> 055 Admin Office of the Courts
-------------------------------	-------------------------------	---

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimates

**No Cash Receipts**                       **Indeterminate Cash Receipts**

<b>Name of Fee</b>	<b>Acct Code</b>												
--------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

**Biennial Totals**



# Ten-Year Analysis

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform	<b>Agency</b> 085 Office of the Secretary of State
-------------------------------	-------------------------------	---

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimates

**No Cash Receipts**                       **Indeterminate Cash Receipts**

<b>Name of Fee</b>	<b>Acct Code</b>												
--------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

**Biennial Totals**



# Ten-Year Analysis

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform	<b>Agency</b> 090 Office of State Treasurer
-------------------------------	-------------------------------	--

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimates

**No Cash Receipts**                       **Indeterminate Cash Receipts**

<b>Name of Fee</b>	<b>Acct Code</b>												
--------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

**Biennial Totals**



# Ten-Year Analysis

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform	<b>Agency</b> 124 Department of Retirement Systems
-------------------------------	-------------------------------	---

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimates

**No Cash Receipts**                       **Indeterminate Cash Receipts**

<b>Name of Fee</b>	<b>Acct Code</b>												
--------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

**Biennial Totals**



# Ten-Year Analysis

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform	<b>Agency</b> 140 Department of Revenue
-------------------------------	-------------------------------	--

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimates

No Cash Receipts

Indeterminate Cash Receipts

## Estimated Cash Receipts

Name of Fee	Acct Code	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	2010-19 TOTAL
Income Tax	NEW		2,783,000,000	6,680,000,000	6,947,000,000	7,225,000,000	7,514,000,000	7,739,420,000	7,971,602,600	8,210,750,700	8,457,073,200	63,527,846,500
<b>Total</b>			2,783,000,000	6,680,000,000	6,947,000,000	7,225,000,000	7,514,000,000	7,739,420,000	7,971,602,600	8,210,750,700	8,457,073,200	63,527,846,500
<b>Biennial Totals</b>			2,783,000,000	13,627,000,000	14,739,000,000	15,711,022,600	16,667,823,900	63,527,846,500				



# Ten-Year Analysis

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform	<b>Agency</b> 142 Board of Tax Appeals
-------------------------------	-------------------------------	---

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimates

**No Cash Receipts**                       **Indeterminate Cash Receipts**

<b>Name of Fee</b>	<b>Acct Code</b>												
--------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

**Biennial Totals**



# Ten-Year Analysis

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform	<b>Agency</b> 310 Department of Corrections
-------------------------------	-------------------------------	--

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimates

**No Cash Receipts**                       **Indeterminate Cash Receipts**

<b>Name of Fee</b>	<b>Acct Code</b>												
--------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

**Biennial Totals**



# Ten-Year Analysis

<b>Bill Number</b> 5104 SB	<b>Title</b> Fiscal reform	<b>Agency</b> 325 Sentencing Guidelines Commission
-------------------------------	-------------------------------	---

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimates

**No Cash Receipts**                       **Indeterminate Cash Receipts**

<b>Name of Fee</b>	<b>Acct Code</b>												
--------------------	------------------	--	--	--	--	--	--	--	--	--	--	--	--

**Biennial Totals**