

Enhanced Taxpayer Notification Options for JLARC Tax Preference Reviews

Date April 13, 2016

To John Woolley, Deputy Legislative Auditor
Joint Legislative Audit and Review Committee

From Marcus Glasper, Deputy Director
Department of Revenue

Purpose To provide options for additional outreach to the business community regarding upcoming tax preference performance reviews.

Background The Citizen Commission for Performance Measurement of Tax Preferences (Commission) received testimony in September 2015 from Amber Carter, representing the Association of Washington Businesses, that the business community would like the Commission to consider ways to improve outreach to taxpayers to inform them that tax preferences from which they benefit will be undergoing a performance review.

The staff for JLARC is evaluating options, including grouping of tax preferences for review to facilitate better outreach.

Current notification process Each year, the Commission and JLARC staff notify the public and the Legislature about the specific preferences on the review schedule using the following methods:

- Postings on both the Commission and JLARC websites,
- Use of the Legislature's list-serve service,
- Limited use of social media, such as tweeting reports, and
- Direct contact with individual firms and/or lobbyists during the review process to seek data or better understand the industries impacted.

However, both the Commission and JLARC staff lack the infrastructure for a targeted outreach to specific taxpayers, and taxpayer confidentiality requirements would further complicate notification.

Request for input from the Department of Revenue

The Commission has expressed an interest in seeking input from the Department of Revenue (Department) on cost effective, confidential measures to notify taxpayers about review of preferences from which they benefit.

JLARC staff has asked the Department to provide suggestions before or during the April 22, 2016 meeting with the Commission.

Department suggestions to the Commission

The Department has looked into this issue and has identified the following options that are available at no cost and requiring minimal resources:

- Posting of the upcoming tax preference reviews on the Department's website with links to both the JLARC and Commission websites, and
- Use of the Department's list-serve service to communicate a message that would be drafted by JLARC staff.

In addition, JLARC staff may want to consider the following:

- Creating an electronic notice that specific industry or business associations can supply to their membership,
- Creating an electronic notice, when relevant for property tax preferences, to county assessors,
- Publishing notification in area newspapers, and
- Creating a specific list-serve service for notification purposes.

Staff from the Department would be available to work with JLARC staff to identify the industry or business associations to be contacted. However, the Department believes that it is important that any messaging related to the review of tax preferences comes from JLARC or the Commission. The Department's role related to tax preferences is merely to administer the programs put in place by the Legislature.
