



# Citizen Commission for Performance Measurement of Tax Preferences

**William A. Longbrake, Chair**  
Board of Directors, BECU  
**Lily Kahng, Vice Chair**  
Seattle University Law School  
**Ronald Bueing**  
PricewaterhouseCoopers

**Dr. Grant D. Forsyth**  
Avista Corp  
**Stephen B. Miller**  
Washington Education Association

**NON-VOTING MEMBERS:**  
**Representative Derek Stanford**  
Chair, Joint Legislative Audit & Review Committee  
**Troy Kelly**  
State Auditor

## Citizen Commission for Performance Measurement of Tax Preferences

Meeting Minutes  
May 22, 2015  
John A. Cherberg Building  
Senate Hearing Room 3  
Olympia, WA

**Members Present:**

William A. Longbrake  
Ron Bueing  
Rep. Derek Stanford

Stephen Miller  
Grant Forsyth

**Members Absent:**

Lily Kahng

State Auditor Troy Kelley

**Staff:**

Keenan Konopaski  
Rachel Murata  
Christine Park  
Marilyn Richter  
Ashley Elliott

John Woolley  
Dana Lynn  
Eric Whitaker  
Mallory Jennings  
Stacia Hollar, AGO

**CALL TO ORDER AND WELCOME**

Commission Chair William Longbrake welcomed those in attendance and called the meeting to order at 10:00 a.m.

**1a. Action item: Resolution**

**MOTION:** A motion was made to adopt a resolution acknowledging and thanking retired JLARC staff member Mary Welsh for her dedicated service to the Commission and her contributions to informing the state on tax policy.

The motion was seconded and carried.

(See TVW recording at [0:01:45](#))

**1b. Action item: Approval of 10/17/14 meeting minutes**

**MOTION:** A motion was made to approve the October 17, 2014, meeting minutes.

The motion was seconded and carried.

(See TVW recording at [0:04:30](#))

**2. Staff reports: Discussion regarding external contacts**

The Chair discussed advice received from Stacia Hollar, AGO, regarding the adoption of an official policy on external contacts commissioners might receive during the course of

evaluating preferences. The Commission declined to pursue a policy on disclosing external contacts. However, when Commissioners are contacted directly by other parties about tax preferences, the Chair suggested it is a good practice to urge those parties to testify to the entire Commission.

(See TVW recording at [0:06:32](#))

### 3. **Thinking Ahead for the Next 10 Year Cycle: Discussion by Commissioners**

John Woolley, deputy legislative auditor, presented a draft document outlining a process and key issues for commissioners to consider, including two additional meetings in the spring of 2016. The Commission agreed to proceed with the proposed process, and specific dates for the two new meetings will be adopted later.

(See TVW recording at [0:12:00](#))

### 4. **Expedited Tax Preference Report**

The Chair asked if there were any preferences in the expedited review the Commissioners would like to draw out for special attention. No specific reviews were identified by Commissioners at this time.

During discussion, the Chair asked the commissioners for input on the questions for public testimony that covered all the reviewed tax preferences, asked staff to have any rewording for the August meeting, and stated the Commission would revisit the questions in August.

(See TVW recording at [0:41:20](#))

### 5. **Ratify Revised 2015 Tax Preference Review Schedule**

John Woolley, Deputy Legislative Auditor, presented a proposed revision to the 2015 review schedule. The proposal adds four additional preferences that JLARC staff were able to add to this year's reviews.

**MOTION:** A motion was made to ratify the 2015 Revised Review Schedule.

The motion was seconded and carried.

(See TVW recording at [0:56:00](#))

### 6. **2016 Preview Documents**

The Commission discussed the tax preferences listed on the 2016 Preview Documents.

(See TVW recording at [0:58:15](#))

### 7. **Approval of 2016 Tax Preference Review Schedule**

Keenan Konopaski presented the draft 2016 Tax Preference Review Schedule.

**MOTION:** A motion was made to approve the 2016 JLARC reviews, identifying fifteen definite preferences to review, and ten preferences as a second priority should resources be available:

#### **Full JLARC Review:**

1. Solar Energy and Silicon Product Manufacturers (B&O Tax)
2. Nonresident Large Private Airplanes (Sales and Use Tax)
3. Honey Beekeepers Feed (Sales and Use Tax)

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4. Flavor-Imparting Items (Sales and Use Tax)
5. Honey Beekeepers (Sales and Use Tax)
6. Clay Targets (Sales and Use Tax)
7. Honey Beekeeper Services (B&O Tax)
8. Honey Beekeeper Products (B&O Tax)
9. Rural Electric Cooperative Finance Organizations (B&O Tax)
10. Fuel Used by Mint Growers (Sales and Use Tax)
11. Data Center Equipment (Sales and Use Tax)
12. Semiconductor Materials Manufacturing – Gases and Chemicals (Sales and Use Tax)
13. Semiconductor Materials Manufacturing – Preferential Rate (B&O Tax)
14. Customer-Generated Power (Public Utility Tax)
15. Timber and Wood Products (B&O Tax)

## **If Resources Are Available:**

1. Custom Software (Sales and Use Tax)
2. Royalty Income (B&O Tax)
3. Syrup Taxes Paid (B&O Tax)
4. Boarding Homes (B&O Tax)
5. Self-Service Laundry Facilities (Sales and Use Tax)
6. Boarding Home Medicare Income (B&O Tax)
7. Trade-Ins (Sales Tax)
8. Electric Power Sold in Rural Areas (Public Utility Tax)
9. Professional
10. Employer Organization Wages (B&O Tax)
11. RTA Maintenance Contracts (Sales and Use Tax)

The motion was seconded and carried.

(See TVW recording at [1:22:17](#))

The Chair asked if any of the public wished to testify: there was none.

The Chair called the meeting adjourned at 11:26 a.m.