CALL TO ORDER AND WELCOME
Commission Chair Grant Forsyth called the meeting to order at 10:03 am.
The Chair welcomed Justin Marlowe. Dr. Marlowe was recently appointed to the Commission by Governor Jay Inslee. Dr. Marlowe is a professor at the University of Washington’s Evans School of Public Affairs, where he also serves as an Associate Dean for Executive Education.

1. Action item: Approval of 9/9/16 meeting minutes
   MOTION: A motion was made to approve the September 9, 2016 meeting minutes.
   The motion was seconded and carried. (See TVW recording at 01:16)

2. Action item: Discussion/Adoption of policy regarding records retention
   Assistant Attorney General Stacia Hollar explained that the Commissioners’ individual records, including notes, are required to be retained as long as necessary for business purposes. In accordance with this requirement, the proposed policy states that Commissioners individual records will be retained each year until the Commission completes the adoption of its comments.
   MOTION: A motion was made to approve the records retention policy.
   The motion was seconded and carried. (See TVW recording at 01:38)
3. **Approve 2017 Meeting Schedule**

   The Commission discussed the proposed meeting dates. The Commission agreed the proposed dates will work for next year.

   (See TVW recording at 06:34)

4. **Action Item: Discussion/Adoption of Commission Comments on 2016 Tax Preference Reviews**

   **Group A**

   No Commissioner had proposed any comments on preferences in Group A prior to the meeting. The Chair asked whether any Commissioners had any proposed comments on the preferences in Group A at the meeting. No Commissioners had any additional comments to propose on these preferences.

   **MOTION:** A motion was made to endorse the Legislative Auditor’s recommendations to continue Custom Software (Sales and Use Tax), expire Fuel Use by Mint Growers (Sales and Use Tax), continue Standing Timber (Real Estate Excise Tax) and review and clarify Solar Energy and Silicon Product Manufacturers (B&O Tax).

   The motion was seconded and carried unanimously. (See TVW recording at 07:40)

   **Group B**

   The preferences in Group B received a recommendation of “Continue” by the Legislative Auditor and there were proposed comments.

   **MOTION:** A motion was made to endorse the Legislative Auditor’s recommendation for Data Center Equipment (Sales and Use Tax) with comment.

   The motion was seconded and carried unanimously. (See TVW recording at 13:40)

   **MOTION:** A motion was made to endorse the Legislative Auditor’s recommendation for Self-Service Laundry Facilities (Sales and Use Tax) with comment.

   The motion was seconded and carried unanimously. (See TVW recording at 20:17)

   **Group C**

   The preferences in Group C received a recommendation of “Review and Clarify” by the Legislative Auditor and there were proposed comments.

   **MOTION:** A motion was made to endorse the Legislative Auditor’s recommendation for Clay Targets (Sales and Use Tax) with comment.

   The motion was seconded and carried unanimously. (See TVW recording at 22:19)

   Chair Forsyth disclosed that his company would potentially have interest in the following tax preference which is the Customer-Generated Power tax preference.

   **MOTION:** A motion was made to endorse the Legislative Auditor’s recommendation for Customer-Generated Power (Public Utility Tax) with comment.

   The motion was seconded and carried unanimously. (See TVW recording at 24:18)

   **MOTION:** A motion was made to endorse the Legislative Auditor’s recommendation for Flavor-Imparting Items (Sales and Use Tax) with comment.

   The motion was seconded and carried unanimously. (See TVW recording at 25:59)
MOTION: A motion was made to endorse the Legislative Auditor’s recommendation for Timber and Wood Products Reduced B&O (B&O Tax) with comment.

The motion was seconded and carried unanimously. (See TVW recording at 28:53)

MOTION: A motion was made to endorse the Legislative Auditor’s recommendation for Trade-Ins (Sales and Use Tax) with comment.

The motion was seconded and carried unanimously. (See TVW recording at 36:33)

MOTION: A motion was made to endorse the Legislative Auditor’s recommendation to terminate six preferences not in use and review and clarify the remaining two preferences for Semiconductor Materials Manufacturing: Multiple Taxes with comment.

The motion was seconded and carried unanimously. (See TVW recording at 45:31)

Group D

The preference in Group D received a recommendation of “Modify” by the Legislative Auditor and there was a proposed comment.

MOTION: A motion was made to not endorse the Legislative Auditor’s recommendation and continue Rural Electric Cooperative Finance Organization (B&O Tax) with comment.

The motion was seconded and carried unanimously. (See TVW recording at 49:24)

Group E

The preferences in Group E received a recommendation of “Allow to Expire or Repeal” by the Legislative Auditor and there were proposed comments.

MOTION: A motion was made to continue Nonresident Large Airplanes (Sales and Use Tax) with comment.

The motion was seconded and carried unanimously. (See TVW recording at 59:54)

MOTION: A motion was made to endorse the Legislative Auditor’s recommendation to repeal the Syrup Taxes Paid (B&O Tax) with comment.

The motion was seconded and carried unanimously. (See TVW recording at 1:15:04)

The Commission received public testimony. Those testifying provided an update to the aerospace industry tax preferences that were reviewed in 2014. (See TVW recording at 1:16:43)

Group F

The Commission received public testimony about the Grocery Distribution Co-Op preference included in DOR’s expedited preference reports. (See TVW recording at 1:35:58)

MOTION: A motion was made to continue the Grocery Distribution Co-Ops (B&O Tax) with added comment.

The motion was seconded and carried unanimously. (See TVW recording at 1:45:34)

The Commission discussed other expedited tax preferences included in DOR’s expedited preference reports. In accordance with Commission bylaws, Commissioner Miller noted he intended to submit minority comments on some of the expedited preferences.

Meeting adjourned at 12:36 pm.