

2761

FISCAL NOTE(Form 6)
(Office of Fiscal Analysis)
Analyst: DSS 5/12/92
tc
Version: 8

BILL NUMBER: SHB 5708
FILE NUMBER:
AMENDMENTS: House "A", "B", "C"

TITLE: "AN ACT CONCERNING THE MANUFACTURING RECOVERY ACT OF 1992"

FAVORABLY REPORTED BY Commerce and Exportation, Finance, Revenue and Bonding, Appropriations

EFFECTIVE DATE: 7/1/92, with the sales tax changes applicable to sales after 1/1/93, the property tax changes applicable to assessment years beginning 10/1/92; and the corporation tax credits applicable to tax years beginning on or after 1/1/93

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FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5708

STATE IMPACT Cost, Revenue Loss, see below
MUNICIPAL IMPACT None
STATE AGENCY(S) Revenue Services, Office of Policy and Management

	1992-93	1993-94	Full Operation FY 96-97
State Cost (savings)	: 0.1 million	: 1.25 million	: 30 million
St Revenue (loss)	: (9 million)	: (35.5million)	: (90 million)
Net St Cost (savings)	:	:	:
Municipal Impact	:	:	:

EXPLANATION OF ESTIMATES:

The cost to administer the exemptions for the Department of Revenue Services in FY 93 includes adopting emergency regulations, partial year funding for 3 tax examiners and related expenses to administer the Sales Tax exemption. The costs in FY 94 include full year funding of the 3 examiners plus funding for 2 additional examiners and related expenses to administer the Corporation Tax credit.

The administrative cost to the Office of Policy and Management is for 2 assessment advisors (one in FY 92-93) plus related expenses to advise municipalities on the administration of the Property Tax exemption and to audit the exemption and insure compliance with OPM guidelines.

The following estimates of the revenue loss and reimbursement cost on the bill as amended by House "A", "B", and "C" could vary considerably depending on how the Department of Revenue Services and the Office of Policy and Management interpret and apply the definitions in the bill in their guidelines and regulations.

	FY 93	FY 94	FY 97
<u>Revenue Loss</u>			
Sales Tax			
Manufacturing			
Definition	(6 mil.)	(25 mil.)	(70 mil.)
Computer			
Outsourcing	(3 mil.)	(7 mil.)	(12 mil.)
Corporation Tax		(3.5 mil.)	(8 mil.)
<u>Reimbursement Cost</u>			
Property Tax		(1 mil.)	(30 mil.)

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