

Multiple Agency Fiscal Note Summary

Bill Number: 1075 HB	Title: Working families' tax credit
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Joint Legislative Audit and Review Committee	.1	20,000	20,000	20,000	.0	0	0	0	.1	26,600	26,600	26,600
Department of Revenue	Fiscal note not available											
Total \$	0.1	20,000	20,000	20,000	0.0	0	0	0	0.1	26,600	26,600	26,600

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Gaius Horton, OFM	Phone: (360) 819-3112	Date Published: Preliminary
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Individual State Agency Fiscal Note

Bill Number: 1075 HB	Title: Working families' tax credit	Agency: 014-Joint Legislative Audit and Review Committee
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.0	0.1	0.0	0.1
Account					
General Fund-State 001-1	20,000	0	20,000	0	26,600
Total \$	20,000	0	20,000	0	26,600

Estimated Capital Budget Impact:

NONE

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: Rachelle Harris	Phone: 360-786-7137	Date: 01/03/2023
Agency Preparation: Dana Lynn	Phone: 360-786-5177	Date: 01/06/2023
Agency Approval: Eric Thomas	Phone: 360 786-5182	Date: 01/06/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/10/2023

Part II: Narrative Explanation

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

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

The bill expands eligibility for the Working Families’ Tax Credit to persons age 18 and over and assigns JLARC to notify impacted parties if a future JLARC report determines the Credit will expire.

Section 1 amends RCW 82.08.0206(2) by expanding the definition of “eligible low-income person” to include persons who would otherwise qualify for the credit except that they do not meet the age requirement but are at least age 18 by the end of the prior federal tax year.

TAX PERFORMANCE STATEMENT DETAILS

Section 2 amends the uncodified tax preference performance statement (TPPS). Currently the TPPS requires the Joint Legislative Audit and Review Committee (JLARC) to review the preference in 2028 and every 10 years thereafter, and notes that if a review finds the Working Families’ Tax Credit does not provide meaningful financial relief to low-income and middle-income households, RCW 82.08.0206 expires at the end of the calendar year two years after the final JLARC report containing the finding is adopted.

The bill adds a clause requiring JLARC to provide written notice of the expiration date to affected parties, the Department of Revenue, the chief clerk of the House of Representatives, the Secretary of the Senate, the Office of the Code Revisor, and others as deemed appropriate by JLARC.

Section 3 notes the act takes effect January 1, 2024.

Section 4 notes RCW 82.32.805 does not apply to the act.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

JLARC staff would contact and work with the Department of Revenue and other appropriate offices immediately after passage of the bill to ensure all parties agree on the impacts of this bill, and that appropriate contact information for affected parties and others are identified and available, if needed in the future.

Costs associated with the 2028 scheduled review of the Working Families’ Tax Credit are not included in this fiscal note. This fiscal note reflects only the costs associated with establishing contacts, determining contact processes, and collecting appropriate information.

This audit will require an estimated 2 audit months.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst’s time for a month, together with related administrative, support, and goods/services costs. JLARC’s anticipated 2021-23 costs are calculated at approximately \$22,100 per audit month.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	20,000	0	20,000	0	26,600
Total \$			20,000	0	20,000	0	26,600

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1		0.1		0.1
A-Salaries and Wages	12,900		12,900		17,200
B-Employee Benefits	4,100		4,100		5,400
C-Professional Service Contracts					
E-Goods and Other Services	2,700		2,700		3,600
G-Travel	300		300		400
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	20,000	0	20,000	0	26,600

III. C - Operating FTE 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 2024	FY 2025	2023-25	2025-27	2027-29
Research Analyst	126,694	0.1		0.1		0.1
Support staff	89,671					0.1
Total FTEs		0.1		0.1		0.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.