

Multiple Agency Fiscal Note Summary

Bill Number: 1883 HB	Title: Juror service wages/tax
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Revenue	(25,300,000)	(25,300,000)	(25,300,000)	(129,400,000)	(129,400,000)	(129,400,000)	(111,000,000)	(111,000,000)	(111,000,000)
Total \$	(25,300,000)	(25,300,000)	(25,300,000)	(129,400,000)	(129,400,000)	(129,400,000)	(111,000,000)	(111,000,000)	(111,000,000)

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

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
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	1.6	497,000	497,000	497,000	5.9	1,069,400	1,069,400	1,069,400	5.8	1,014,600	1,014,600	1,014,600
Total \$	1.6	497,000	497,000	497,000	5.9	1,069,400	1,069,400	1,069,400	5.8	1,014,600	1,014,600	1,014,600

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final 1/18/2024
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Judicial Impact Fiscal Note

Bill Number: 1883 HB	Title: Juror service wages/tax	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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 for 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.

Legislative Contact: Kristina King	Phone: 360-786-7190	Date: 01/15/2024
Agency Preparation: Chris Conn	Phone: 360-704-5512	Date: 01/17/2024
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 01/17/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/17/2024

190,597.00

Request # 93-1

Part II: Narrative Explanation

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

This bill allows for a 100% tax credit for wages paid to employees while employees are absent from work and serving as a juror pursuant to chapter 2.36 RCW. The bill sets out an enactment period of 1/1/25-1/1/29, and allows for 21 days of credits per year. Unused credits may be rolled over for two subsequent years.

II. B - Cash Receipts Impact

None

II. C - Expenditures

No fiscal impact to the Administrative Office of the Courts as this bill does not affect current AOC or court processes.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

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

NONE

None

190,597.00

Form FN (Rev 1/00)

Department of Revenue Fiscal Note

Bill Number: 1883 HB	Title: Juror service wages/tax	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax		(23,300,000)	(23,300,000)	(119,000,000)	(102,100,000)
GF-STATE-State 01 - Taxes 35 - Public Utilities Tax		(2,000,000)	(2,000,000)	(10,400,000)	(8,900,000)
Total \$		(25,300,000)	(25,300,000)	(129,400,000)	(111,000,000)

Estimated Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		3.3	1.7	5.9	5.8
GF-STATE-State 001-1	67,800	429,200	497,000	1,069,400	1,014,600
Total \$	67,800	429,200	497,000	1,069,400	1,014,600

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: Kristina King	Phone: 60-786-7190	Date: 01/15/2024
Agency Preparation: Van Huynh	Phone: 60-534-1512	Date: 01/15/2024
Agency Approval: Marianne McIntosh	Phone: 60-534-1505	Date: 01/15/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/18/2024

Request # 1883-1-1

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.

CURRENT LAW:

There are no tax credits available to employers for wages paid to employees who are on juror service.

PROPOSAL:

This bill provides employers with Business and Occupation (B&O) and Public Utility (PU) tax credits for wages paid to employees absent from work due to jury duties.

The credits equal 100% of wages paid. The employer may claim either the B&O or PU credit, but not both, for the same employee.

Any unused credit in a calendar year may be carried over and claimed for up to two succeeding calendar years. No refunds may be granted for credits.

Up to 21 days of juror service are allowed per employee per calendar year.

The bill is exempted from the tax preference performance statement requirements.

The credits are for juror services occurring from January 1, 2025, to January 1, 2029, only.

EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session in which it is enacted.

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.

ASSUMPTIONS

- Annually, 3.75% of employees attend jury service.
- On average, an employee attending jury service misses 2.5 days of work.
- Employers can earn credits for employees only. Jury services by sole proprietors or business owners who do not draw a regular wage do not qualify, as they are not considered employees.
- Annual growth mirrors the Washington average annual wage growth reflected in the Economic and Revenue Forecast November 2023 forecast.
- Credit can be earned and taken from January 1, 2025, through January 1, 2029. This impacts five months of collections for fiscal year 2025 and 7 months of collections for fiscal year 2029.

DATA SOURCES

- Department of Revenue, Excise tax data
- Employment Security Department, Employee data
- Economic and Revenue Forecast Council, November 2023 forecast
- Miscellaneous online sources on jury services

REVENUE ESTIMATES

This bill reduces state revenues by \$25.3 million in fiscal year 2025 and by \$63.3 million in fiscal year 2026, the first full year of impacted collections.

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TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2024 -	\$ 0
FY 2025 -	(\$ 25,300)
FY 2026 -	(\$ 63,300)
FY 2027 -	(\$ 66,100)
FY 2028 -	(\$ 69,000)
FY 2029 -	(\$ 42,000)

Local Government, if applicable (cash basis, \$000): None.

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.

ASSUMPTIONS:

This bill affects 30,000 taxpayers.

FIRST YEAR COSTS:

The department will incur total costs of \$67,800 in fiscal year 2024. These costs include:

Object Costs - \$67,800.

- Computer system changes, including contract programming.

SECOND YEAR COSTS:

The department will incur total costs of \$429,200 in fiscal year 2025. These costs include:

Labor Costs – Time and effort equate to 3.29 FTEs.

- Set up, program, and test computer system changes for new credits.
 - Hear additional administrative reviews that provide taxpayers with an informal, non-adversarial dispute resolution process for the review of a disputed action by the department, such as an assessment of taxes, notice of taxes due, denial of a refund request, or tax ruling.
 - Routine audits will require additional time to verify credits are valid.
 - Process returns, verify credits taken and all associated work items, including issuing assessments for return errors and underpayments.
 - Assist taxpayers with reporting questions and respond to inquiries via email, web message, and paper correspondence.
- Gathering requirements; implementation meetings; documenting and testing of system changes
 - Answer additional phone calls and counter inquiries on tax questions and tax return preparation from businesses, individuals, and accountants/CPAs.
- Create a Special Notice and update or publications and information on the department's website.

Object Costs - \$71,300.

- Computer system changes, including contract programming
- Print and mail credit worksheets and reporting instructions.
- Purchase one additional agent seat license for the Telephone Information Center.

ONGOING COSTS:

Ongoing costs for the 2025-27 biennium equal \$1,069,400 and include similar activities described in the second-year costs.

Time and effort equate to 5.9 FTEs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		3.3	1.7	5.9	5.8
A-Salaries and Wages		212,200	212,200	652,200	639,300
B-Employee Benefits		70,000	70,000	215,200	210,900
C-Professional Service Contracts	67,800	67,800	135,600		
E-Goods and Other Services		55,200	55,200	150,700	127,400
G-Travel		700	700	1,400	1,100
J-Capital Outlays		23,300	23,300	49,900	35,900
Total \$	\$67,800	\$429,200	\$497,000	\$1,069,400	\$1,014,600

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EXCISE TAX EX 2	58,104		0.2	0.1	1.4	1.4
EXCISE TAX EX 3	64,092		0.2	0.1	0.8	0.8
EXCISE TAX EX 4	70,800		0.2	0.1	0.2	0.2
IT B A-JOURNEY	91,968		0.7	0.4	0.1	0.1
IT SYS ADM-JOURNEY	96,552		0.1	0.1		
REVENUE AUDITOR 3	70,800		0.2	0.1	0.2	0.2
TAX INFO SPEC 1	46,596		1.1	0.6	2.2	2.2
TAX INFO SPEC 2	50,088		0.3	0.2	0.7	0.7
TAX INFO SPEC 3	61,056		0.2	0.1	0.3	0.3
TAX POLICY SP 2	78,120		0.1	0.0		
TAX POLICY SP 3	88,416		0.0	0.0		
WMS BAND 2	98,456		0.0	0.0		
Total FTEs			3.3	1.7	5.9	5.8

III. C - 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

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1883 HB

Title: Juror service wages/tax

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/15/2024
Leg. Committee Contact: Kristina King	Phone: 360-786-7190	Date: 01/15/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/15/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/18/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill would provide employers with a business and occupation tax credit or a public utility tax credit for wages paid to employees absent from work due to jury duties for juror services occurring from January 1, 2025, to January 1, 2029. The credits equal 100% of wages paid for up to 21 days of juror service per employee per calendar year.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This bill would not impact local government expenditures.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This bill would not impact local government revenues.

According to the Department of Revenue (DOR) this bill would only impact state revenues. Please see the DOR fiscal note for their assumptions and data sources.

SOURCE:

Department of Revenue fiscal note, HB 1883 (2024)