

MultipleAgencyFiscalNoteSummary

BillNumber: 1638HB

Title: Providingataxexemptionforcertainpersonsprovidingservicesfor
developmentallydisabledpersons.

EstimatedCashReceipts

AgencyName	2001-03		2003-05		2005-07	
	GF-State	Total	GF-State	Total	GF-State	Total
DepartmentofRevenue	(2,447,000)	(2,447,000)	(2,656,000)	(2,656,000)	(2,763,000)	(2,763,000)
Total:	(2,447,000)	(2,447,000)	(2,656,000)	(2,656,000)	(2,763,000)	(2,763,000)

LocalGov.Courts*						
LocalGov.Other**						
LocalGov.Total						

EstimatedExpenditures

AgencyName	2001-03			2003-05			2005-07		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
DepartmentofRevenue	.1	9,700	9,700	.0	0	0	.0	0	0
Total:	.1	9,700	9,700	.0	0	0	.0	0	0

LocalGov.Courts*									
LocalGov.Other**									
LocalGov.Total									

--

Preparedby: TristanWise,OFM

Phone:

360-902-0546

DatePublished:

Final2/12/2001

* SeeOfficeoftheAdministratorfortheCourtsjudicialfiscalnote

** Seelocalgovernmentfiscalnote

Department of Revenue Fiscal Note

Bill Number: 1638HB	Title: Providing a tax exemption for certain persons providing services for developmentally disabled persons.	Agency: 140-Department of Revenue
----------------------------	--	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Fund	FY2002	FY2003	2001-03	2003-05	2005-07
General Fund-State 01-Taxes 05-Bus and Occup Tax	(1,158,000)	(1,289,000)	(2,447,000)	(2,656,000)	(2,763,000)
Total	(1,158,000)	(1,289,000)	(2,447,000)	(2,656,000)	(2,763,000)

Estimated Expenditures from:

	FY2002	FY2003	2001-03	2003-05	2005-07
FTE Staff Years	0.1		0.1		
Fund					
GF-STATE-State	9,700		9,700		
Total	9,700		9,700		

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternative 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: Mark Matteson	Phone: 360-786-7145	Date: 02/06/2001
Agency Preparation: Skeets Johnson	Phone: 570-6075	Date: 02/08/2001
Agency Approval: Don Taylor	Phone: 360-570-6083	Date: 02/08/2001
OFM Review: Tristan Wise	Phone: 360-902-0546	Date: 02/08/2001

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

Section1ofthebillprovidesanexemptionfromB&OtaxforamountsreceivedfromtheDepartmentofSocialandHealth servicesforcontractedservicesfordevelopmentaldisabilitiesresidentialnon-facilityservices.

ThebillhasaneffectivedateofJuly1,2001.

II.B-CashreceiptsImpact

Brieflydescribeandquantifythecashreceiptsimpactofthelegislationontherespondingagency,identifyingthecashreceiptsprovisionsbysection numberandwhenappropriatedetailoftherevenuesources.Brieflydescribethefactualbasisoftheassumptionsandthemethodbywhichthe cashreceiptsimpactisderived.Explainhowworkloadassumptionstranslateintoestimates.Distinguishbetweenonetimeandongoingfunctions.

ASSUMPTIONS/DATASOURCES

DSHSindicates thattherearecurrently57providersofservices thatqualifyunderthisproposal. Thereareanadditional 52providersoftheseservices whichareexemptfromB&Otaxbecause theyareeither non-profitorgovernmental providersofhealthservices.

Programspendingareassumedtoincreaseata2%growthrateperDSHS.

AUDITASSESSMENTS(Impactresultingfromrecentauditactivity)

Thereareauditsperiodicallyperformedonfirmsprovidingtheseservicesandassessments havebeenissued. Thisbillis notretroactive,soitwouldnotimpactanyoftheseassessments.

CURRENTLYREPORTINGTAXPAYERS(Impactfortaxpayerswhoareknownoreestimatedtobecurrentlypayingthe taxinquestion)

TheexemptionprovidedbythisproposalwouldreduceB&Otaxrevenuesbyabout\$1.2millionduringFY2002and\$2.4 millionduringthe2001-2003biennium.

TAXPAYERSNOTCURRENTLYREPORTING(Althoughsometaxpayersmaynotnowbepayingthetaxinquestion, someofthemwillbecomeawareoftheirliabilityinthefuture,asaresultofnormalenforcementactivitiesoreducation programsbytheDepartment.TheimpactforsuchtaxpayersisbasedontheDepartment'sstudiesofaverage tax compliance)

AcheckofDORrecordsindicatesthatabout40%ofthetaxableactivityfortheseserviceshavenotbeenreportedinthe mostrecentyear. Thisresultrequiresadifferentrevenueforecastrevisionthanthatonthe frontofthefiscalnotewhichis shownbelow.

TOTALREVENUEIMPACT:

StateGovernment(cashbasis,\$000):

FY2002	-	\$(1,158)
FY2003	-	(1,289)
FY2004	-	(1,315)
FY2005	-	(1,341)

FY2006 - (1,368)
FY2007 - (1,395)

RevenueForecastRevision:

FY2002 - \$(694)
FY2003 - (773)
FY2004 - (789)
FY2005 - (805)
FY2006 - (821)
FY2007 - (837)

LocalGovernment,ifapplicable(cashbasis,\$000):None.

II.C-Expenditures

Brieflydescribetheagencyexpendituresnecessarytoimplementthislegislation(orsavingsresultingfromthislegislation),identifyingbysection numbertheprovisionsofthelegislationthathesultintheexpenditures(orsavings).Brieflydescribethefactualbasisoftheassumptionsandthe methodbywhichtheexpenditureimpactisderived.Explainhowworkloadassumptionstranslateintocostestimates.Distinguishbetweenonetime andongoingfunctions.

ToimplementthislegislationtheDepartmentwillneedtoamendoneruleatacostof\$9,600.TheDepartmentwillabsorb thiscost.However,ifthisbillandothersimilarbillspass,thenetimpactmayresultincostsabovetheleveltheDepartment canreasonablyabsorb.Inthatevent,theDepartmentwillneedadditionalresourcestoimplementthisandtheotherpieces oflegislation.

PartIII:ExpenditureDetail

III.A-ExpendituresByObjectOrPurpose

	FY2002	FY2003	2001-03	2003-05	2005-07
FTEStaffYears	0.1		0.1		
A-	4,000		4,000		
B-	1,000		1,000		
E-	4,200		4,200		
J-	500		500		
Total:	9,700		9,700		

III.B-FTEDetail: ListFTEsbyclassificationandcorrespondingannualcompensation.TotalsneedtoagreewithtotalFTEsinPartI andPartIIIA.

JobClassification	Salary	FY2002	FY2003	2001-03	2003-05	2005-07
TAXPOLICYSPECIALIST3	58,071	0.1		0.1		
Total		0.1		0.1		

PartIV:CapitalBudgetImpact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

WAC 458-20-168 will be amended. Interested parties will be owners of medical care facilities and adult family homes, the patients in those homes, the party responsible for the patients, and the Department of Social and Health Services.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 1638HB	Title: Providing a tax exemption for certain persons providing services for developmentally disabled persons.
----------------------------	--

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

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdiction 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:

Part III: Preparation and Approval

Fiscal Note Analyst: John Lindberg	Phone: (360) 725-5038	Date: 02/06/2001
Leg. Committee Contact: Mark Matteson	Phone: 360-786-7145	Date: 02/06/2001
Agency Approval: Val Richey	Phone: 360-725-5036	Date: 02/11/2001
OFM Review: Linda Swanson	Phone: 360-902-0541	Date: 02/12/2001

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

Section 1: Provides an exemption from B & O tax for amounts received from the Department of Social and Health Services (DSHS) for contracted services for developmental disabilities residential non-facility services.

EFFECTIVE DATE OF THE PURPOSE:

July 1, 2001

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

None: this is not applicable legislation.

ASSUMPTIONS:

Not Applicable

DATA SOURCES:

Not Applicable

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

None

ASSUMPTIONS:

Not Applicable

DATA SOURCES:

Department of Revenue's HB 1638 (SB 5302) Fiscal Note