

STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date: 06/26/15

Action: Without Recommendation As To Passage And Be Referred To Tax Credits.

Meeting Dates: 04/20, 06/26

Vote:

Yeas: 5 - Barnhart, Lininger, Read, Smith Warner, Vega Pederson

Nays: 4 - Bentz, Davis, Johnson, Whitsett

Prepared By: Dae Baek, Economist

WHAT THE MEASURE DOES:

Provides for an increase in both personal income tax rates and corporate excise tax rates if the state's high school graduation rate becomes 65 percent or lower. Stipulates that the tax rates go back to the rates prior to the change (that is, current law levels) if the graduation rate reaches 90 percent or higher. Directs that the portions of the revenue from the higher tax rates are to be transferred to the School Improvement Fund by the end of each biennium.

ISSUES DISCUSSED:

- Request referral to Joint Committee on Tax Credits

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The 2007 Legislature appropriated \$260 million to the School Improvement Fund from the General Fund. School districts and ESDs received \$126.6 million in 2007-08 and \$133 million in 2008-09. Funds were targeted for a number of uses to improve student achievement. The Legislature has not made an appropriation to the Fund since the 2007-09 biennium.