

**HB 2128 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Findley

**House Committee On Revenue**

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**Action Date:** 06/05/19

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 6-0-0-1

**Yeas:** 6 - Findley, Marsh, Nathanson, Reschke, Smith G, Smith Warner

**Abs:** 1 - Hernandez

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Chris Allanach, Legislative Revenue Officer

**Meeting Dates:** 2/5, 2/25, 5/29, 6/5

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**WHAT THE MEASURE DOES:**

Requires the Legislative Revenue Office, in consultation with the Department of Revenue, to study the statutory definition of tax expenditures in conjunction with the operation of automatic sunset provisions in statute. The study should lead to recommendations for proposed legislation and be presented to the Assembly no later than February 1, 2021. The provision is repealed on January 2, 2022.

**ISSUES DISCUSSED:**

- The concept and definition of a tax expenditure
- How implicit sunsets work
- The sunset and review process

**EFFECT OF AMENDMENT:**

Replaces the bill

**BACKGROUND:**

The 1995 Legislature required the creation of a tax expenditure report in conjunction with the Governor's Budget. As part of that law, the Legislature adopted the following definition: "tax expenditure" means any law of the federal government or this state that exempts, in whole or in part, certain persons, income, goods, services or property from the impact of established taxes, including but not limited to tax deductions, tax exclusions, tax subtractions, tax exemptions, tax deferrals, preferential tax rates and tax credits.